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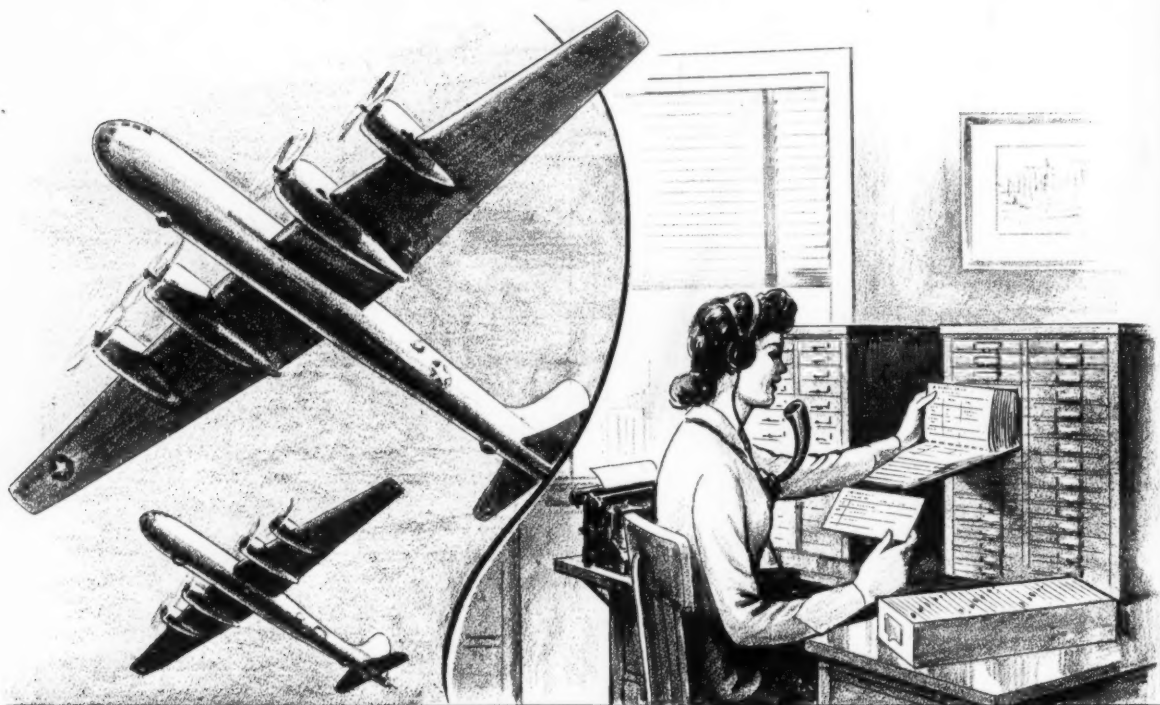
FEBRUARY



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This General View shows the Milwaukee Boston Store's Kardex Unified Credit Record, newly installed for use with Simplified Cycle Billing. Elimination of peak loads, savings in clerical help and improved customer relations are among the benefits of the new "streamlined" system.

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Shell Building, St. Louis 3, Mo.

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Name _____ Occupation _____

Address _____ Employed by _____

City _____ State _____

The CREDIT WORLD

L. S. CROWDER
EDITOR



ARTHUR H. HERT
ASSOCIATE EDITOR

FEBRUARY

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• 1945 •

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Making the Most Of Our Opportunities

●Harland C. Bush

NOW IS THE TIME to examine what the future seems to hold for us. We can see in the sky the first streaks of a new day's dawning, amidst voices of prophecy as confusing as the tongues of Babel.

What are some of the predictions for the days ahead? Lammot DuPont, Chairman, DuPont Company, says: "There will be wood that won't burn, glass that won't break, window screens that contain no wire, and machine bearings that contain no metal. These are just a few of the things in the offing. There will also be better and yet cheaper homes, finer and less costly automobiles, radios, and refrigerators, more nourishing food, superior medicines—a greater abundance of almost everything that adds to the comfort and satisfaction of living—all these will be awaiting the home-coming soldier when the war is won. . . Spurred to extraordinary efforts by the extraordinary needs of the past two years, we have gone ahead thirty or fifty years as measured by the old rate of development in many fields."

Another yet different prediction is suggested by *Peacetime Plans*, issued by the National Association of Manufacturers, which states:

Many manufacturers fear that the public has been oversold on the prospects of revolutionary changes in postwar life as a result of plastics, light metals, and other new materials, and new designs which they might make possible.

An automobile manufacturer recently said: "The postwar car is bound to be the 1942 car. It can't be anything different." Similar statements have been made by refrigerator manufacturers and others. Time will be required to perfect new models. The men, machinery, and materials for experimentation, testing, and perfecting will not be available until after the war.

So—what we get during the next two years in the way of new products and return to production of civilian goods will probably be somewhere between these two predictions. The change will not be as soon or as drastic as many advertisements have so enthusiastically promised, but it's only a matter of time. I am convinced after reading many predictions about future prospects that the postwar period will be a strange era. The transition to full utilization of our abilities, vast technical knowledge, and new products is not going to be smooth. We

may have a boom and a depression at the same time—some industries going at top speed with others in the doldrums—expanding civilian enterprise but mounting joblessness. It is possible that profits and bankruptcy will both increase. One economist points out:

The economic self-interests of those who have pioneered an existing product are perhaps the greatest deterrent to the introduction of the new. The contest between prefabricated housing and the traditional building industry is a classic example. The opposition of labor unions to the "canned voice" of the sound film is another; Petrillo's contest with the recording machine still another. The chemical compounds that step up the driving power of gasoline, the cloth with durability far beyond your present clothing are all illustrations of the friction between the new and the old, between the general interest and self-interest. The enemies of progress are not merely special groups, but all groups within the community. Some may have more to protect in a given case, but the past has given copious illustrations of the vigor with which both labor and capital will resist the march of the machine where present interest would be affected.

Obviously we, as credit executives, must be alert to these various possibilities and the limitations of the next few years. We can neither afford to be swept away by the extreme optimists nor have our ambition stifled by those who see naught but gloomy days ahead.

We are greatly concerned with the success of plans for reconversion, with having full employment, with large-scale production of durable goods, with Government fiscal policies, with how we are going to pay our national debt, with the effect of taxation on the standard of living, and other matters not directly affecting our operations. It seems to me that these are of equal concern to us as business people and citizens, along with consideration of credit bureau operation problems.

What May Be Expected

My own knowledge of what may be expected in the next few years has been greatly enlarged through reading *The Rest of Your Life*, a book written by Leo Cherne, Executive Secretary of the Research Institute of America. It is recommended reading for those who would be fully informed as to the shape of things to come.

What is going to happen in the retail field where we look for most of our members and reporting business? Mr. Cherne makes it quite clear in the following statement that big business is going to enjoy many advantages over small enterprise:

During the war big manufacturing companies will have continued to engage in effective marketing and advertising, even where they have nothing to sell. Most of them will have succeeded in keeping their distributive channels pretty much intact. This will be true of automobile companies, manufacturers of radios, refrigerators, phonographs, washing machines, farm equipment, and other durable consumers' goods which depend on a well-organized network of dealers.

From this and other indications of business trends, it seems certain that large manufacturers of consumer goods such as Goodyear, Firestone, Goodrich, and others

HARLAND C. BUSH gave this address before the annual meeting of the Associated Credit Bureaus of Minnesota, Niccolet Hotel, Minneapolis, September 10, 1944. He is Secretary of the Retail Credit Association of Des Moines and Manager of the Credit Reference & Reporting Company, Des Moines.

with retail outlets are going to corral a large share of the retail business. So watch for the battle of the giants in the retail field! The fight will be between these manufacturing retailer combinations, and the chain retailers, such as Ward's, Sears, Penney's, etc., and the higher-priced department store chains, such as the May Company, Allied Stores, and others. In Iowa our largest department store has opened two branches and expects to increase these to twenty. Recent press notices referred to the formation of a huge buying combination, composed of R. H. Macy and other large department store interests.

Why does all this interest us? Mostly because more than ever we will have to depend for bureau revenue on absentee owners. Whether or not your bureau and mine enjoys the X. Y. Z. stores' business will depend on whether the general credit manager in Chicago, Akron, or New York City, is sold on credit bureau reports.

An article in the August 15, 1944 issue of *Forbes* magazine, entitled "Super Markets and Their Future," tells us that super markets are now experimenting with offspring. The small unit gets all the advantages of the mass buying of the main unit and consequently can sell on the same basis. "The idea of mass buying is here to stay, but mass retailing may have reached its peak to be supplanted by a new type of corner grocery supplied from a big super, controlled by it, and having all the advantages of centralized bookkeeping and management."

The article touches also on the probable growth of locker markets as retail outlets, because patrons will want the added convenience of buying all their necessities at one stop.

All this adds up to our looking for *less, rather than more, members* among the grocers, druggists, and meat markets. Cash and carry is here to stay and will grow because of the tendency of many people to move to suburban areas where delivery service will not function.

Now, how do the plans John Q. Public has for his future interest us? What are all the John Q.'s going to do with the estimated seventy-five to one hundred billion dollars in cash, bank accounts, and war bonds? Are they going to spend their savings and redeem war bonds as fast as goods are available? *To what extent will people hang onto the security of their savings and buy on credit while earnings permit?* Your answer is as good as mine, but I can give you the results of an interesting survey on these points.

Postwar Buying Plans

A savings bank in Troy, New York (pop. 70,000) recently employed a research organization to learn the postwar buying plans of the people of Troy. The results showed that they are planning to spend \$57,000,000 for new homes, automobiles, house furnishings, clothing, etc.

The survey indicates that 64% of such spending will be financed out of cash resources; time payments are expected to finance 22% of the projects; loans and borrowing, 4%; charge accounts, 2%; and other methods, 3%. Only 5% of the spending, it is estimated, will be financed by cashing of war bonds.

Significant to us as a clue to where we must look for business are the items for which the money will be spent. \$26,000,000 will be spent in building new homes; \$15,-

200,000 will be spent on the purchase of houses already built; and \$3,000,000 will be spent for modernization. So we must not overlook cultivating the good will of the realtors, building and loan associations, and mortgage lenders in order to benefit fully from similar postwar spending in our various cities.

In this connection, you may be interested in a brief survey completed in our office. We wanted to know where new business was coming from and where we were losing it. We found the greatest activity in the real estate field with eight new members gained since January 1, 1944, out of a total of 42.

You have been given a partial preview of things to come that will affect the reporting business. We see big enterprises getting bigger, more cash and carry stores, a shift in what people will spend more money for, and many new types of business coming into existence. What do these mean to us? Well, just a lot of things, but principally:

1. Keener competition for the available reporting business. We, individually, are small enterprises vs. big business, represented by our principal competitors.

2. We will be more dependent on the good will and support of credit men in distant cities.

Effective Bureau Advertising

3. More than ever we must tell our story to a passing parade if we want to stay in business. For instance, many young men in service will return with savings and technical skills, anxious to establish a service or retail business of their own. They know little, if anything, about credit bureaus and their functions. Here will be a new crop of prospects. Will their bankers, wholesale suppliers, or others with whom they counsel when starting in business recommend joining the credit bureau? They will if we have fully sold the usefulness of our bureaus to our respective business communities. You and I want to know how we can best meet these postwar conditions and make the most of our opportunities.

A means by which many of us can help in building a better national trade association is to accept responsibility for a task whenever it is offered. Some of the most successful credit bureaus are headed by men who have given a great deal of time to their State, District, and National groups. Their contacts made through such association, the inspiration which comes from working with bigger men, have enabled them to carry the additional duties and still do a better job as bureau managers.

Our second objective should be to pay more attention to public relations. This isn't a separate department of our operations, relying just on newspaper stories, paid advertising or direct mail solicitation. As I see it, Public Relations are involved in everything we do.

Whether our bureau personnel is well or poorly trained—whether they are skillful or incompetent, the manner in which they give reports, the friendliness or lack of it on the part of all personnel in dealing with people we see or talk to each day, whether we are courteous and thoughtful in handling the public and members alike—these and many other situations determine whether we have created either good or bad public relations. It is no exaggeration to emphasize our human relations as the area in which we will most likely make or break our future. Either we do a good job on this score and are

successful or we can have the best set of bureau records in the country and enjoy only a mediocre business.

Certainly the reading of Dale Carnegie's famous book isn't a guarantee of business success, but following the principles he sets forth will make life's pathway a lot easier. In dealing with people, it isn't what you say that counts—it's how you say it. In this connection, it was drilled into me many years ago, on my first credit bureau job, that the easiest way to get the members' cooperation was to convey in all bulletins the impression that everyone was doing a good job in this respect; any who weren't would draw the inference that they were the ones who were out of step.

A third objective is more attention to the printed word. There is much that we can do to influence people favorably concerning our bureaus by use of good judgment and common sense in planning our printing. Every bureau should adopt a distinctive style of type for its name, tie this in with its own trade-mark or the A.C.B. of A. emblem, and include use of the words "FACTBILT REPORTS—COLLECTIONS." Consistent use of this form of identity on all printing that reaches members or the public is a very important means of selling your name and business to the community. I don't care whether your forms are mimeographed, dittoed, printed or lithographed, they can have an air of distinction and good taste that will create good will for your business.

A fourth objective is to put more emphasis on selling effort. Many of us formerly depended on leg and mouth work to get new members and keep present members interested. In the future the demands on our time and energy aren't going to permit much personal solicitation.

Even bureaus that can afford sales representatives on the street can't reach and influence the number of people that *can be contacted* through the *printed message*.

Perhaps you are thinking right now that the income in your small bureau won't permit spending for advertising. In that case, I say you have more need to advertise than the fellow who finds it easy to pay the bill.

There is an old saying: "If a business isn't worth advertising, put it up for sale." If this be true, there are a lot of bureaus that should be sold; and many bureaus have, during this war, been sold for lack of support while other bureaus in towns no larger and with the same kind of members, have kept rolling along. I won't say the difference in all cases depends on whether or not the bureau advertised, but I will say that if you don't believe enough in your business to tell the members and prospects about it, they certainly aren't going to have much confidence in what you are doing.

Credit Bureau Benefits

The only way it can be developed to its full possibilities is by spending money for promotional purposes. It is one thing to produce a service or article that people really need, and it's another thing to get them to use it. They aren't going to want it very much if you don't tell them what it will do for them. In our own bureau, I have satisfied myself that you can get the money needed to run the business properly if you can show influential members how it is to their benefit to furnish it.

When your advertising brings inquiries about service or membership, be sure you are prepared to follow up with an effective sales presentation. In other words, be prepared to conduct an interview in which you use illustrations, sample reports, testimonials, and some dramatization of your bureau's service.

Before concluding on selling and advertising, here is another point. Don't expect one or two shots of direct mail a year to get results. It must be a sustained, persistent drive no matter what medium you use. Above all, don't get discouraged if the first efforts fail to get immediate results. A solid reputation isn't built on a flash-in-the pan effort. It is created out of a number of impressions made on the people you are trying to reach.

This kind of publicity, designed primarily to help the creditor and financed by him, brings both direct and indirect benefits to the bureau. Enough so that bureau managers can afford to spend the time necessary to promote and oversee it. Definitely, Pay Promptly advertising is an integral part of our public relations.

There is going to be a greater need than ever for this form of credit education if we are to meet the challenge of these times. Millions of new credit buyers need to be told how to create and protect their credit. Thousands have been earning big money and haven't had to resort to the use of credit. Thousands of war widows will face life as the head of a family for the first time. There is a devil-may-care attitude to combat. The divorce rate is mounting. So is juvenile delinquency. Some returned servicemen, unable to fit in, will feel that the world owes them a living, no matter how they get it.

These conditions may be overcome in part by a program designed to create respect for credit obligations. We must assume the responsibility for doing our share in character building, else the use of credit will be restricted.

1945 CREDIT MANUAL OF COMMERCIAL LAWS

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**THE LAST WORD ON THE STATE
AND FEDERAL LAWS
EFFECTING CREDIT**

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of the special price of \$5.35
to N.R.C.A. members

(Regular Price \$6.50)

**NATIONAL ASSOCIATION
OF CREDIT MEN**

ONE PARK AVE. NEW YORK 16, N. Y.

The Retailer And the Future

Q. E. Morris
Executive Secretary

Texas Retail Dry Goods Association
Dallas, Texas

MAYBE THE RETAILER has a blind date with the future, but I for one hardly think so. In a manner, the retailer always has a blind date for the future, but he is not one to look at each day, week or month for results, but rather to four seasons and a full year for an average. Experience has taught him that he cannot be a prophet to tell what each day will bring forth. He knows that a rain might make a dead loss of one day's advertising, and he expects to have a few rainy days, just as he expects to close shop for a few holidays, and bid good-by to an entire day's receipts, which will be like water under a bridge, gone and never to be recovered. All of his planning is future planning, and a portion of it might be upset and badly so, by earthquake, fire, crop failure and the like, so much so that sometimes an entire year's business will show a loss.

Then there is the likelihood of depression and also of wars. Withal, however, no retailer ever approaches his job with the idea of there being anything blind about it.

Look at the greatest depression in our history. The collapse of prosperity came suddenly, yet the impact of the blow was transitional, and the real hardships were not felt all at once. Riding out of that bleak desert was not just one hop, skip and a jump. No, it too was transitional. Then came the threat of war, preparedness, if you please against it, and the inevitable war, but into none of this did we jump, as the saying is "out of the delights of peace," to the horrors of war. No, we moved slowly and ponderously until the present, and may move at the same pace into greater and more complicated horrors, for from all appearances of the present, the war in Europe is likely to consume a good deal of 1945 before *Unconditional Surrender* is achieved.

How have retailers acted or reacted to things of a normal or cataclysmic nature in the past? Have they not all been transitional, in and out, of bad conditions? Indeed they have acted nobly, and while riding with the tide into, and out of every trouble that has beset them, retailers have always been on the beam, taking things as they have come, in their stride, riding in and out with a strong hand on the helm to guide their ship into the right waters.

There is no fear in the hearts of retailers, although some would like to make us believe that there is not only fear, but consternation. Retailers are not made of that sort of stuff. Men who have started small and grown medium sized or large in their operations, are the type of men who are not easily discouraged. They never say die, and at each hurdle that they are told, "you can't

make it this time," they grit their teeth, and spur their mount, and over they go.

Before me is a pamphlet from a group which pretends to represent retailers. In it are some findings this self-styled representative of small business presumes to have discovered about the dissatisfaction and distress of small business. They run from a to g, and all begin with fear.

Fear of inability to retain sufficient earnings to remain in business; fear of postwar bureaucracy and regimentation; fear of governmentally subsidized competition; fear of inability to borrow for reconversion and postwar periods; fear of big business; fear of politics remaining in business; fear of economic dictatorship.

What a fine way to start panics! Thank heaven that economic conditions are such that the publication of such bugaboos cannot find much material on which to work. Business is so engrossed in what it is trying to do, so anxiously trying to do its best and biggest job, that it hasn't time to read a lot of things by pessimistic writers.

When one thinks of all of the thousands of regulations that had to be imposed upon business, and how gradually each citizen in the land had to come under war powers, and how nobly all acted, and none more so than retailing, he wonders why people sit around and brood over things that can't be helped, and try to discourage others from doing their necessary work.

Optimism of Retailers

I have run across no retailers who are pessimistic about the future. They are taking things as they go, planning their best, and making what hay can be made while the sun shines. They are not looking for a future of disaster, but one of a fair prosperity. If they are dissatisfied with things governmental, thinking they are not rightly conducted or administered, they are frank to say so to the authorities at Washington, and in the States, relying upon the law of averages, believing that our legislators are a crosscut of the country, and will, after mature deliberation, do the very best for the whole country. Most of them see an era of great prosperity for these United States, once the "mad dogs" of Europe and the Pacific are properly secured, and made to see that they must adjust themselves so as to be fit company in a Congress of Nations.

In conclusion, the retailers of the country are useful, patriotic and farseeing men, who plan on facts, not on fancies. They have shown the ability to come through wars, depressions, and all sorts of state and local disasters. The future will show them as having no blind dates with anything, least of all with fear, for with courage they are going right along, and will help to build a better world in which to live. Credit men know this, and having ridden a depression with flying colors as to credits, they are looking toward the future, with the same courage and intelligence.

Association Educates And Collects in One Operation

H. W. Hoklas

Credit Manager, Young Quinlan Co., Minneapolis, Minn.

THE LAZY MAN has an advantage for he delights in short cuts which enable him to arrive at the same destination with less effort. Why should he exert himself toward collections, arousing himself and his customer when the local credit association to some extent will ease his course?

In Minneapolis, members of the Retail Credit Association have the privilege of sending to the office of the Secretary, late in each month, a list of accounts showing indebtednesses for purchases made four months or more previous to the time of listing. After these various lists are compiled so as to avoid duplication a mimeographed personalized letter is mailed to each of these individuals. The letter is sent out over the signature of the Association and that of the secretary, with no mention of the firm listing the name nor of any one account unpaid. The contents of the letter endeavors to persuade the customer not only to pay whatever overdue obligations he may owe but also to build a prompt pay credit record in Minneapolis. A new letter is supplied each month by the Delinquent List Committee.

This has proved to be an effective means of collection of accounts. Placing the names on a delinquent list saves those working on collections an amount of effort, and avoidance of further delay for a large percentage of these accounts are collected within a few days following receipt of the letter. This method merits commendation. Some of the letters follow:

Dear Sir:

The year of 1943 is finished—nothing can be changed in that record—but a glorious 1944 lies ahead awaiting new and better achievements.

Should you have allowed bills to lapse during 1943, NOW is an excellent time to clear them. May we suggest that you start 1944 free of obligations and then pay every bill promptly.

A "prompt pay" Yellow Book rating for 1944 is our New Year wish to you.

Yours very truly,
RETAIL CREDIT ASSOCIATION OF MINNEAPOLIS
C. A. Wildes, Secretary

Dear Sir:

Your prompt credit record for 1944 will start with payment in February, of each January bill, both large and small.

Any unpaid 1943 obligations should be cleared at once for 1943 past due debts will otherwise mar your prompt pay record for 1944.

Your assistance to us in recording a prompt pay rating for you in 1944 will be appreciated.

Yours very truly,

Dear Sir:

Our President has asked us to keep our individual financial affairs in liquid condition, in this way aiding the war effort. Paying bills promptly, is not only good doctrine in wartime but during peacetime as well.

If you now have delinquent obligations, we suggest that you pay them at once, and arrange to pay future accounts promptly when due. By so doing your prompt pay record, as shown in the "Yellow Book," will give you great personal satisfaction and become one of your most valuable assets.

Very truly yours,

Dear Sir:

Spring bursting through the mantle of winter imparts renewed vigor to us in clearing away debris, to refurbish our household, to attend to payment of accumulated debts, and in all to gain a new spirit.

Overdue bills are an impediment to progress. Prompt clearance of debts makes for a better financial condition and rewards us with a prompt pay record in the "Yellow Book."

Let the return of spring signify to you renewed zeal to pay promptly.

Yours very truly,

Dear Sir:

When you and I say a man is "keeping faith," we extend him a high compliment as to the integrity of his dealings. "Keeping faith" as applied to the clearance of credit purchases not only implies payment of the amount, but payment when due.

Should you have permitted an indebtedness to go beyond the prescribed time of settlement, we suggest that you demonstrate your good faith by making payment—preferably of the full amount—today.

Yours very truly,

Letter for Spring

Dear Sir:

Vigorous activity these strenuous days requires a time of deserved relaxation. Tension cannot be released with bills unpaid, particularly when accounts have become past due.

Payment early, during this month of June, of your current bills plus any which may be delinquent, will start your summer free from this unnecessary care.

Very truly yours,

To maintain a prompt pay record in the "Yellow Book," charge accounts must be paid in full each month and contract purchases by each due date.

Dear Sir:

You are now at the halfway mark in building your 1944 credit record. Only six months of the year are ahead of you.

Should any bills have been allowed to go past their due dates, our suggestion is to clear all of them NOW and then see that the bills for the remainder of the year are paid in full each month.

Prompt payment is the only way to keep a good record in the "Yellow Book."

Very truly yours,

Dear Sir:

GOOD CREDIT—one's reputation for paying bills promptly—sometimes is allowed through carelessness to go into discard.

Have you permitted accounts to remain owing past their due dates? Charge accounts to appear promptly rated in the "Yellow Book" require payment in full each month.

Clearance now of overdue amounts as well as regular payment of current bills, will favorably affect your credit record.

Very truly yours,

Dear Sir:

Poor credit like poor health seldom develops overnight but comes from continued lack of consideration and attention.

Consistent prompt payment requires vigilance. Bills owing to the professional man, to the butcher and others, bills large and small are payable in full each month or on each due date when in contract form.

Make prompt payment a habit and so keep a healthy credit record.

Very truly yours,

(Turn to "Association Educates," page 31.)

A Payment Plan for Larger Medical Expenses

William W. McCarthy

Vice President, Shawmut Bank of Boston

THE BLUE TRIANGLE Plan is the name used to identify a cooperative financing plan for larger medical expenses recently announced by the Massachusetts Bankers Association in conjunction with the Massachusetts Medical Society and the Massachusetts Dental Society. Its purpose is to make an instalment basis, similar to purchasing a car, refrigerator or other household article, the normal way of paying larger medical expenses. The service is available for all banks in Massachusetts to render for the doctors and dentists in their respective communities.

The basis of operation of the plan is similar to the financing of the purchase of a car or large household item. In talking over with his patient the contemplated expense, the doctor discusses not only its amount but the basis of repayment. By failing to talk over its payment, all too often the attitude of the average citizen is to "let the doctor's bill wait." Consequently, most medical men have a great number of accounts on their books which become old while the patients owing these amounts carry on the payments on their car and pay their store bills on a fairly prompt basis. If the medical expense were reduced to a note with certain payments to be made at specified dates, the average citizen would arrange his living expenses so as to meet those payments. Not only would the doctor in the meantime have the use of some of the funds owing to him, but also he would have avoided the drag on his patient of owing a bill which he cannot comfortably pay. The doctor would also have provided for himself a regular basis whereby larger obligations to him would be paid off in regular amounts with little collection effort.

Cost of Financing

In discussing his fee and the basis of repayment, the Blue Triangle Plan allows the doctor either to include the cost of financing in his fee or to add it to his fee as a separate item. From those patients indicating an interest in paying on the instalment basis, a short application form is obtained usually by the doctor's assistant or secretary. Information on the form is then telephoned to the bank with whom the doctor has made his arrangement for handling the Blue Triangle Plan. After prompt investigation, the bank calls back the doctor's office indicating whether or not the account is acceptable. In the case of marginal accounts, the amount advanced may be reduced by mutual agreement between the bank and the doctor, the account even being transferred to the bank for collection purposes without any advance of funds, if that is felt to be wise.

After completing his medical services, the doctor has the patient sign the note which he transfers to the bank, who then sends the patient the coupon book covering the payments provided in the note. On acceptable accounts the bank will customarily advance up to 90 per cent,

holding the 10 per cent as a reserve account to be paid to the doctor when the account is paid in full. On marginal accounts the advance might be 50 per cent until the patient has shown an ability to meet the first several payments promptly, at which time a further advance might be made.

The use of the reserve results in a lower investment on the part of the bank, and since the payments remain the same, the term for repayment of the bank's investment is shortened. Consequently, the rate used under the Blue Triangle Plan is somewhat less than the rates usually used by banks for personal loans. The suggested rate on amounts over \$100 is 25 cents per instalment plus 6 per cent simple interest on the declining monthly balances. On amounts under \$100 no interest is charged but all transactions are handled on a service basis of 50 cents an instalment. However, each bank is privileged to use a preferential rate if it so desires since the Blue Triangle Plan is a cooperative, community effort in which banks and the medical profession are jointly helping to solve the problem of larger medical expenses for the average citizen in their locality.

In Massachusetts the medical society has provided a prepayment plan for hospital expense through the Blue Cross and a prepayment plan for medical expense through the Blue Shield. These, of course, are fine for those making the prepayments and for expenses covered under the two plans. However, there are many who are not members of either or both plans and quite a few items of medical expense which are not covered by them. The Blue Triangle Plan provides for expense not covered by the prepayment plans as well as providing for the individual who is not a member of one or both.

In two other ways the Blue Triangle Plan benefits the community and the medical profession. To patients needing medical care and postponing it because of the expense, a simple basis for repayment is provided so that needed medical attention need not be delayed. To the doctors and dentists returning from service in the armed forces and re-establishing themselves, the plan offers particularly valuable financial assistance to help them to do so. This is true also of the younger graduate who is seeking to establish a practice after completing his medical course and internship. The full growth of the plan will come as these men return from service and the younger men enter active practice. The Blue Triangle Plan will become the symbol of the normal way for doctors and patients to handle larger items of medical expense which are a burden now to the doctor and the patient alike.

Since its first public announcement, hundreds of letters from banks, medical societies, and others have been received from almost every state in the union. As each state group undertakes to provide the Blue Triangle Plan, a national service of health financing will evolve to the benefit of the public, the medical profession, and the banks who service the Blue Triangle Plan.

A Brief History of the Retail Credit Association of Pittsburgh

Col. Franklin Blackstone

*Credit Manager, Frank & Seder, Pittsburgh, Pa.
Past President, National Retail Credit Association*

WITHIN A FEW MONTHS after the first issue of *The CREDIT WORLD* was published, I received a copy of it and an application for membership in the Retail Credit Men's National Association, through the courtesy of President David J. Woodlock. From that time and until the Retail Credit Men's National Association was incorporated, I was a subscriber to *The CREDIT WORLD*.

Early in 1917, H. Victor Wright of Los Angeles, President of the National, visited Pittsburgh. He came unannounced, but was introduced to the leading retail merchants and credit executives. Through him, it was learned that one of the charter members of the National was Frederick A. Caten, owner and General Manager of the D. P. Jones Mercantile Agency of Pittsburgh, who on the day of Mr. Wright's arrival was absent from his office. Mr. Wright stated that two other Pittsburghers were members of the National, Hugo Baum and Harry C. Engel.

The annual convention was held in Cleveland in 1917. Three of the Pittsburgh members were in attendance, and Mr. Caten was represented by J. W. Duncan. Mr. Baum was in attendance at the convention for only forty-five minutes, but during that time he and the others met with me in the last row of seats in the Convention Hall, during the proceedings. It was a case of either talk at once or delay action, as Mr. Baum was en route to Buffalo. In the midst of considerable gavel pounding by President Wright, a decision to organize a Retail Credit Association in Pittsburgh was unanimously made, and I was designated Chairman of the Organizing Committee. When President Wright was quietly informed of this desirable event, he ceased pounding the gavel so loud at the Pittsburgh group, and became rather cordial toward them, realizing that his visit to Pittsburgh was having favorable results.

Shortly after the convention, the Retail Credit Men's Association of Pittsburgh was granted a charter by the Court of Common Pleas of Allegheny County. The officers elected were: President, Franklin Blackstone; Vice-President, Joseph H. Zelch; Treasurer, John R. Jackson; and Secretary, Frederick A. Caten. Directors: Frances Armstrong, Jr.; Alexander N. Fraser; Hugo Baum; Frank C. Spreen; Mrs. Sadie C. Keogh; and Mrs. Lottie Alexander. (Even in 1917, there were women credit executives in Pittsburgh.)

The other charter members were Leopold Sondheim, Harry J. Herron, M. F. Connolly, B. Alward, W. J. Charters, Emanuel Lewis, W. B. McConnell, C. B. Ward, Elmer Heck, W. W. Witt, B. I. Davis, Jr., M. M. Saxman, and E. F. Kram.

The Pittsburgh Association immediately swung into a stride of systematic approach toward creating retail credit cooperation that attracted attention throughout the country. Within a few months after being chartered

it adopted a uniform application for credit form, containing reservations for personal responsibility under Pennsylvania laws, for necessities, that is still a part of the present form. In one case, the Association appealed to the Superior Court a decision of a lower court. The decision of the lower court was reversed, thus sustaining the clause in the application form.

The Association was building retail credit morale by means of inserts bearing the signatures of the Retail Credit Men's Association, and the Retail Grocers' Association. More than a quarter million of those inserts were used during the early months of 1918.

Newspaper articles and advertisements carried messages relating to the Association meetings that further developed retail credit education, and publicized the slogan, "A good credit record is a valuable asset." One of Pittsburgh's outstanding news reporters, Edward A. Sykes, was engaged for systematic handling of publicity. He continued with the Association until 1937.

In 1920, the Publicity Chairman was W. B. McConnell who added radio broadcasting to the program of newspaper advertising and "Sykes's publicity," and conducted the first retail credit educational radio program in history. It was broadcast over KDKA, the pioneer broadcasting station of the world. Mr. McConnell was later president of the Pittsburgh Association, and also a National Director. He is now one of the three honorary members of the Local Association. Since 1921, radio broadcasting and newspaper advertisements have been used extensively.

Radio Committee Activities

The 1945 Radio Committee chairman is Harry E. Wilson, who succeeded Mr. Baum as credit manager and a director of Gimbel Brothers. He has served five administrative terms as president of the Pittsburgh Association. The Chairman for Newspaper Advertising is Alexander S. Kerby, who has served as Jewelry Group Chairman at two National conventions.

Soon after organizing the Pittsburgh Association, its leaders became actively known in the affairs of the National. One became Chairman of the committee that issued the first circular on Credit Department Methods (1921-1922). He was later chairman of the committee that caused the change of name from Retail Credit Men's National Association to National Retail Credit Association. He also served a term as National president (1919-1920), during which the National admitted more new members than in any year in its history. A part of the credit for this achievement, he has always given to the excellent groundwork of L. S. Crowder. He reorganized group conferences at the 1920 convention and they became features of future conventions. He served several terms on the National's Executive Committee.

When the merchant-owned Pittsburgh Credit Bureau was organized in 1926 through the purchase of the reporting files of the D. P. Jones Mercantile Agency, the local Retail Credit Association and its President, Harry E. Wilson, made it an instantaneous success by turning over to it the entire membership of 310. In consideration of this action it was agreed that every member or subscriber to the Bureau should become a member of the Association and that the Credit Bureau would collect for the Association, the dues of \$5.00 a year, and deliver it to the Retail Credit Association. It was also a part of that agreement that every member of the Bureau should become *ipso facto*, a member of the National Association, and that the Bureau would collect the National's dues of \$5.00 per subscriber and forward the amount to the National.

The Pittsburgh Association has been fortunate in its leadership, as a list of its Presidents will prove: Franklin Blackstone, 1917-1919; Joseph H. Zelch, 1920; A. D. Sallee, 1921; W. B. McConnell, 1922; L. Sondheim (deceased), 1923; H. W. Leonard, 1924; H. E. Wilson, 1925-26; L. Michaels (deceased) 1927-28; H. E. Wilson, 1929-30-31; B. J. Lindberg, 1932-1933; D. H. Goldman, 1934; W. G. Taylor, 1935-1936—July, 1937; H. C. Engel, July, 1937-1938; H. W. Leonard, 1939; R. W. Sloan, 1940; Jos. A. White, 1941; Franklin Blackstone, 1942-1945.

Sponsored Credit Classes

The Pittsburgh Association sponsored classes in retail credit procedure, the fundamentals of credit granting, and collections, at the University of Pittsburgh—1919-1923. The leader in this educational feature was A. D. Sallee, who addressed the Detroit Convention of 1920 on the subject. In 1921, Mr. Sallee served as President of the Pittsburgh Association and during a part of the same period was President of the Pittsburgh unit of the National Association of Credit Men (wholesale).

National directors from Pittsburgh have been: Franklin Blackstone, W. B. McConnell, David H. Goldman and Joseph A. White.

Joseph A. White served as Vice-President, and later as President of the National Retail Credit Association. He will long be remembered for his masterly handling of the convention in Milwaukee in 1944. At present, he is Chairman of the National's Legislative Committee, and a member of the Executive Committee. He is also Chairman of the local committee on Speakers, and is Treasurer of the Credit Bureau.

The close relationship between the Pittsburgh Association, the National and The Credit Bureau, Inc., Pittsburgh, is activated by the Bureau Manager, Thomas L. Ford. He succeeded Mr. Fraser at Boggs & Buhl Department Store and is a practical credit manager of many years' experience. For several years, he served on the Board of Directors of The Credit Bureau until elected Manager in December, 1942. He is a Director of the Associated Credit Bureaus of America, and Secretary of the Retail Credit Association.

Credit educational publicity in Pittsburgh has done much to create and maintain a high standard of credit cooperation, credit morale, and a knowledge of the advantages of the slogan, "A good credit record is a valuable asset." The names of both organizations are used in publicity, both radio and newspaper, and gives em-

phasis to the importance of each one as a community service.

The president of the Credit Bureau Inc., is R. M. Overall, Treasurer-Controller of Gimbel Brothers, Pittsburgh. The 1945 officers of the Retail Credit Association are: President, Franklin Blackstone, Frank & Seder; Vice-President, C. G. Kaessner, Kaufmann's; Vice-President, John Gwyer, John Gwyer Press; Vice-President, E. J. Fischer, A. J. Mansmann Co.; Secretary, T. L. Ford, The Credit Bureau; and Treasurer, C. W. Orwig, Commonwealth Trust Co.

The Pittsburgh Association sponsors the Credit Women's Breakfast Club of Pittsburgh, and has made provision in the Bylaws whereby its president and retiring president are members of the Board.

To provide for a larger variety of business, on its Board of Directors, the Pittsburgh Association devised the plan of making permanent directors of directors and officers who served for nine years on the Board. In 1919, it provided permanent directorship for any member who served a full term as president.

The Pittsburgh Association has many activities. Among the most popular is the Retail Credit Luncheon Club which has been meeting at noon each Thursday for many years, under the Chairmanship of Carl G. Kaessner.

Robert W. Sloan, past president of the Association is president of the 12th District, N.R.C.A., and Miss Edna Kennedy, past president of the C.W.B.C., is President of the Atlantic District of the Credit Women's Breakfast Clubs of North America.

When the "Landlord & Tenant Bill" was under consideration by the Pennsylvania Legislature, the Pittsburgh Association was active in assisting the proponents of the Bill which, in due course, was enacted into law.

One of the accomplishments of the Retail Credit Association of Pittsburgh, was the initiating and advancing of the enactment commonly called the "Bad Check Law," which is now included as a part of the Penal Code of Pennsylvania. In this activity, which began in 1920, and was accomplished in 1921, the Association had the cooperation of the Wholesale Association, the Grocers' Association, and several others.

BINDERS

for The Credit World

PAMPHLET type with stiff blue fabricoid covered sides and the words "Credit World" lettered in gold. Holds 12 issues. There is an individual wire for each issue, easily inserted. Every member should have a binder for each volume. Price, \$1.75, postpaid. * * * *

Order from

NATIONAL RETAIL CREDIT ASSOCIATION
Shell Building St. Louis, Missouri

Simplified Billing Outstanding Success With Buffalo Stores

Thomas L. Evans

Treasurer, J. N. Adams & Co., Buffalo, N. Y.

IN THE SPRING of 1943, the problem of billing charge customers and mailing statements became so alarming that the Buffalo downtown stores, under the leadership of J. N. Adams & Co., united their efforts to find a satisfactory solution. After an exhaustive study and a series of conferences with Credit, Accounts Receivable and Adjustment Managers, a uniform plan for simplified billing was adopted by the eight stores and placed in effect simultaneously on May 1, 1943. Over a year has elapsed since we introduced the plan and we are now in a position to report the experiences of the stores who participated in the adventure.

Though we had, in the beginning, to cope mainly with the problem of reducing the time required for the mailing of monthly statements and advancing the mailing date from the second half of the month to the first half, we soon found out that not only were we able to complete the mailing of our first statements under this plan on the fifth day of the following month, but we experienced, in a very short time, that, much to our surprise, we could reduce the number of billers 30 per cent, stuffers 40 per cent, and machines, 30 per cent. At the present time, the mailing of statements is completed on the third day of the month following purchases. These savings in time and man power are not limited to our store alone, as similar experiences have been reported uniformly by all participating stores.

Before introducing simplified billing it was easy for our planners to foresee that speedier operation and increased efficiency would result from this change in billing procedure. However, it was more than questionable to forecast public reaction. Without a favorable customer acceptance of this modification, the entire scheme, of course, would have been endangered. We, therefore, waited anxiously to see the reaction of our customers upon the first receipt of the radically different statements. Here again we were highly amazed with the gratifying results which developed immediately. Customer reaction was remarkably free from criticism or objections. Instead of employing additional help which was provided to meet any possible emergency in the handling of inquiries or requests for itemized bills, the Adjustment Departments received, in the beginning, a very negligible number of phone calls only. Later on, all reports received and our own experience agree that there has been a marked reduction of the number of requests for itemized bills (some report a decrease of 40%).

The stores are very frank in admitting that they are inclined to take credit to a large degree for the favorable acceptance of the new system by the public. The reason for this feeling is that the transition from the conventional to the simplified billing had been prepared and

planned so well in advance in every little detail. Starting with sample statements and explanatory sheets which were inserted in customer bills one month prior to the change-over, cooperative advertisements in all Buffalo newspapers were released in anticipation of the new billing system, acquainting the public with all details, particularly with the necessity of saving all saleschecks. In addition to this, each participating store did an excellent educational job in its credit office by informing customers of this new system. Last, but not least, these extremely satisfactory results have been made possible through the splendid spirit of cooperation which the stores have developed and which permitted the realization of this plan, not as an individual adventure, but as the result of a concerted effort.

Simplified billing was originally designed mainly to overcome the late mailing dates of customers' statements. While under the old system sometimes as little as fifteen days passed from the mailing date to the freezing date under regulation W, the simplified billing widened the time interval to thirty-six days which resulted immediately in a substantial reduction in the number of default accounts. In other words, the collection ratio improved considerably once the simplified procedure was put into effect. Though we are admittedly not so much concerned with further improvements of our collection ratio at the present time, it must be remembered that it will play an extremely important role in the postwar period when the financial capacity of any company will be expanded to the limit through the tremendous increase in credit demands.

Advantages of Simplified Billing

Summarizing, we wish to report that the simplified billing plan improved the operation of our Bookkeeping, Adjustment and Credit Departments far beyond our expectations by advancing substantially the mailing date of statements, by reducing the number of stuffers, billers and machines, by cutting down considerably bill inquiries addressed to the Adjustment Department, and by making it possible to train machine operators for their jobs within a few days instead of several weeks and often months.

As to the problem of continuation of simplified billing in the postwar period, the opinion has been expressed by many representatives of large stores that there is no reason whatsoever why this new method of billing cannot be carried over, thereby permitting the stores to benefit further from savings in Accounts Receivable Departments and reducing the general cost of distribution. We, in Buffalo, feel unanimously that we cannot afford to relinquish the substantial improvements and savings connected and experienced with the simplified billing plan.

National Membership Activities

Myrtle Point Association Awarded Membership Trophy

After a membership campaign in the Pacific Northwest, in which over 300 new N.R.C.A. members were obtained in 1943-1944, the committee announced the winner of the Membership Trophy as N. P. McDonald, Manager, Retail Credit Association of Myrtle Point, Myrtle Point, Oregon. The picture below shows him receiving the trophy from Walter A. Jensen, Executive Secretary, Northwest Credit Council. The presentation was made at a public meeting in the High School Auditorium. Also shown are three of the speakers on the program: Rev. J. P. Wiley; Floyd Summers, Superintendent, Junior High School; and Henry A. Schroeder, Chairman of the Board of Directors of the Myrtle Point Association.



Under Mr. McDonald's direction, the Retail Credit Association has grown to a membership of over 70 in the four years it has been in operation. It is one of the newest units of the National, and is now the largest unit in proportion to population (2,000) in the United States and Canada. This honor was held from 1937 through 1943 by the Retail Credit Association of Elkins, West Virginia, L. L. Cook, Secretary.

The Retail Credit Association of Myrtle Point is owned and operated by the merchants of Myrtle Point and Mr. McDonald has been Manager and Secretary since it started. Other officers are: President, Elvin Eads, Elvin Eads Service Station; and Vice-President, E. O. Sempert, Sempert Drug Store. Directors: Henry A. Schroeder, Fred Mantz, Norwood Browne, Chris Moller, Eldon Brodie, Ray McNair, Bandon Ore., Don Farr, Coquille, Ore., and J. W. Culver, Sutherlin, Ore.

In addition to his duties at Myrtle Point, Mr. McDonald has organized the Coquille Credit Bureau and has made it a unit of the National. Charter members now number 28, and they expect to have over 50 new members within the next three months, all of whom will become members of the N.R.C.A. The officers of the Coquille Bureau are: President, Don Farr; Vice-President, George Oerding; and Secretary-Treasurer, N. P. McDonald. Directors: Harry M. Johnson,

F. E. McCracken, L. A. Greene, Clarence Osika and Rod Creager.

Montgomery, Ala., Annual Meeting

The 27th annual meeting of the Associated Retail Credit Men of Montgomery took place January 8. Special guest for the occasion was L. S. Crowder who was instrumental in organizing the Montgomery Association 27 years ago, with J. M. Holloway, Sr. Officers and directors elected for 1945 are: President, Geo. E. Suddith, Union Bank & Trust Co.; Vice-President, James C. Shepard, Brown Printing Co.; and Secretary-Treasurer, J. M. Holloway, Jr., Credit Reporting Co. Directors: E. C. Dean, Mathews Furniture Co.; J. H. Brannen, Lawrence Furniture Co.; E. Vernon Rush, Alabama Industrial Finance Co.; Miss Elizabeth Ingram, Sears, Roebuck & Co.; Mrs. Maury Jones, Haverty Furn. Co.; and J. L. Patterson, First National Bank.

Corpus Christi Membership Activities

The Associated Credit Men of Corpus Christi, Corpus Christi, Texas, under the able leadership of F. R. Medlen, President, has been active in securing new Local and National members. Below is a letter which has created a great deal of interest on the part of many firms not represented in the group. Several have expressed a desire to become members. For those who did not respond to the letter, the Association plans to have a member who is in the same class of business call on the prospect in an effort to interest him in becoming a member.

Your firm has been selected as one which should be interested in the program of the Associated Credit Men of Corpus Christi.

This group of merchants and credit executives meets on the second and fourth Tuesday of each month for the purpose of exchanging credit information and ideas for the betterment of the individual firms represented and to the community.

One of the most important problems under discussion at this time is what we will do about credit terms when Regulation W is abolished. As a merchant in this community your voice in establishing a uniform and sound credit policy is essential.

It is easy to become a member of this group. For full details call Gordon Lewis, 4351, or F. R. Medlen, 9491.

The Membership Awards

Even though the 32nd Annual Conference and Credit Sales Forum, which was to have been held in Cleveland, Ohio, May 22-24, 1945, has been cancelled (see page 27) the membership prizes for the year 1944-45 will be awarded as planned. A list of these prizes was included on page 13 of the November CREDIT WORLD. The names of the general membership committee and the committees of the 13 districts appear on page 19 of the January CREDIT WORLD. Are you cooperating with the Membership Chairman in your District in order to compete for the final awards? General Chairman Harry F. Reid is expecting a banner year for new National Memberships and your teamwork will greatly help in putting the campaign over the top.

What Is the Most Important Credit Problem in 1945?

Opinions of Store Executives

There are too many uncertain factors in the situation today, such as the length of the war, reconversion and demobilization, to make any prediction as to the one most important credit problem in 1945. There will be many problems and likewise they will differ in a section with a large war plant population and one with the normal population. Expansion of receivables and shifting war workers will probably be our foremost and immediate problem.—H. C. Adams, Assistant Vice-President, Emery, Bird, Thayer Co., Kansas City, Mo.

The most important credit problems during 1945 will be those directly related to unemployment which will be increasingly marked. War industry workers will endeavor to move to other centres offering permanent employment. In 1945 the competent credit executive should encourage full cooperation in local and national associations, should acquire and train new personnel so that his department will operate with outstanding efficiency and be prepared for a steadily increasing volume of credit sales.—William J. Bell, Manager, Canada Permanent Mortgage Corp., Vancouver, B. C.

If we are fortunate enough to bring the European war to a conclusion within the next few months, the migrating war workers will, no doubt, become our most serious credit problem for 1945. If the war continues, our ever returning veterans will probably be our most delicate and serious problem.—B. K. Bilbrey, Assistant Manager, Motor Exchange Tire Co., Tulsa, Okla.

In considering the problems that might confront us in 1945 as credit granters, we feel that two stand out as those that might prove most difficult to solve: (1) How to re-educate charge customers who have acquired the practice of paying cash for merchandise to again avail themselves of the convenience of charge accounts.

(2) How to determine credit responsibility of returning servicemen. We will be liberal in granting credit, but our problem will be basis for proper rating.—I. F. Boyd, President, Boyd's, St. Louis, Mo.

I can only speak from the standpoint of utility merchandising as that is the phase of operation I have been in for the past ten years. Electrical appliances have been an oddity for the past few years, therefore, since we had nothing to sell the credit department has been very much curtailed. My plan for 1945 is to establish a more efficient credit department and have well-trained employees when the time comes to merchandise again.—R. T. Bradberry, District Auditor, Georgia Power Co., Columbus, Ga.

On the Pacific Coast our most important problem facing the credit granter in 1945 is twofold. First, when will hostilities in Europe cease, thereby diverting activity and attention to the Pacific Coast? Second, when will hostilities in the Pacific stop, bringing a more or less abrupt end to war production? Our share in war production and increase in population have been higher than anywhere else; therefore, our concomitant problems will require sharp attention.—H. H. Christensen, Vice President, Citizens National Bank, Los Angeles, Calif.

If we view that the credit granter in most stores is also the source of new business and opening up new accounts, then the greatest problem for 1945 is the re-education of the interviewing staff so that they will encourage to a far greater extent than in 1944 the opening of new accounts. During the past three or four years, business has been easy and the help situation in the credit department has been tight. Therefore,

we have had no time to greet with warmth the new account and take the necessary time to make her feel friendly toward the store. As conditions will tend to ease up during 1945, the credit department's activities should be extended so that more of its time and effort should be given to the promotion of new business through the opening of new accounts. There has been too much written about the possible retrenchment and the fear of bad business and bad credit at the present time. Most credit granters are so apprehensive that they are about to pull their punches and lose an unusual opportunity for the promotion of business within the store by a liberal and cordial credit policy.—Lewis M. Hess, Treasurer, Schleisner Co., Baltimore, Md.

One of the important credit problems confronting the credit granters of this locality for 1945 will be not to over-extend credit to the industrial workers who have had larger earnings due to overtime work; who have made no provision for the time when this overtime will be off because of the cut back in defense contracts.—L. V. Hunt, Secretary, Barker-Fowler Electric Co., Lansing, Mich.

Encouragement and development of cooperation among every retail organization in each community to adopt a reasonable and business-like credit policy to prevent any possibility of a return to prewar abuse of consumer credit is the most important problem for 1945. In so doing the result will demonstrate conclusively that the administration of consumer credit should be returned to American business at the earliest possible moment consistent with the economic conditions existing upon the termination of the National emergency.—A. Mac Corquodale, Vice-President and General Manager, Fifth Street Store, Los Angeles, Calif.

I suppose it is because we are now in a period which seems very easy and simple, outside of the administration of the technicalities of Regulation W, that the Credit Department does not weigh heavily on our minds as an immediate problem. Experience and judgment indicate that these conditions will change in time. However, at the moment credits are so easy to check in this community and collections so good, with extremely low losses, that one would have to be a prophet to attempt to answer your question categorically.—D. E. Moeser, Vice President and General Manager, Conrad & Co., Boston, Mass.

Credit and collection problems of the physician have always been enormous in size, so it is with considerable interest that we suggest the effects of prepaid medical care as it relates to our accounts. We wonder what effect prepaid medical care plans will have on the accounts of the lower income groups, and we would like to know whether or not payment will be made directly to the physician or to the patient.—H. E. Scherer, Business Manager, The Monroe Clinic, Monroe, Wis.

To formulate policies and practices for use after V-E Day which will make the full power of consumer credit available if and when needed soundly to support buying power and employment, but which will not increase the inflationary gap or endanger the elements of strength built into the credit structure during the past few years.—Carl N. Schmalz, Treasurer, R. H. Stearns Co., Boston, Mass.

Faced with continued migration of workers, with rehabilitation of returning servicemen and with reconversion uncertainties the most important problem that credit granters face in 1945 is to continue their balancing act of promoting credit sales while holding collections within reasonable bounds. Smart credit granters will lean heavily upon their Credit Bureaus for factual reports to assist them in making sound credit decisions.—T. W. Walters, Vice-President, The Morris Plan Bank, Cleveland, Ohio.

taCredit Problem for 1945?

Opinions of Credit Bureau Executives

The most important credit problem confronting the credit granter during 1945 will be to revise in some manner, individual credit limits of customers' accounts, considering possible changes of address, job and income.—Carson L. Bard, General Manager, Credit Rating Co., Louisville, Ky.

The most important credit problem for 1945 is to sell credit granters on the sound principles of credit, and the public on the profitable use of credit.—A. B. Buckeridge, Executive Manager, Credit Bureau of Greater New York, Inc., New York, N. Y.

How best to protect an account against the possibility that it will become a conversion hazard, or a skip is the most important problem for 1945. This is not that our credit people fear mass trouble with dead beats or deliberate attempts to defraud. We still believe that most individuals are honest. But, after the German war ends, relocation of workers and family migration will be tremendous even in the West where we still believe Japan is our real enemy. To extend credit wisely to customers who are regularly employed today but who may change jobs during the year, or who may be living in other sections of the country before the year is out, is the task for 1945. Full antecedent information and background on all customers is receiving our attention as never before.—Frank T. Caldwell, General Manager, Retailers Credit Association of San Francisco, San Francisco, Calif.

It is necessary to improve all contacts with the customer; therefore, hiring and training employees who will be an asset to the credit department and the store, presents itself as one of the important problems for the coming year.—Harry P. Earl, Secretary-Manager, Associated Retail Credit Men, Salt Lake City, Utah.

If the war in Europe is brought to a conclusion during the next few months, the credit men of this Continent are going to be faced with a locate problem the like of which has never been known, and all the best efforts of the Credit Bureaus throughout the Country will not prevent a tremendous economic loss caused by inability to follow the debtors to their new places of abode. It cannot be impressed too strongly on credit men, even at this late date, the utmost importance of securing all possible data from applicants for credit as to their identity, family connections, previous places of residence, etc. This is the most important credit problem confronting credit granters for the year 1945.—F. A. Matattall, Manager, Ottawa Credit Exchange, Ottawa, Ont., Canada.

All credit granters will be faced with a continuance of the problems incident to extending credit under wartime conditions. It will be necessary to continue to analyze applicants with the utmost care in order to have adequate information on hand to make it possible to locate customers who will move to other locations as the war draws nearer to a conclusion.—C. E. Moorman, General Manager, Credit Bureau of Jacksonville, Jacksonville, Fla.

For the postwar period, it would seem to us that this is going to be a period of readjustment. We should adhere closely to sound credit principles, and merchants should, at least, cooperate in the matter of placing credit granting on a high level. Careful and complete investigation concerning the risk should be made in all cases where the applicant is new to the firm. Proper limits should be placed upon accounts, so that there will be no "accidental" pyramiding cases, where the customer might be inclined to "over-buy." Credit men, more than ever, should confer with each other in meetings concerning methods and procedure. Through the bureau they should keep each other informed concerning derogatory information pertaining to any particular customer. The ex-serviceman should be extended every consideration. In this respect, we

must bear in mind that his period of rehabilitation will be a trying one. He will need encouragement and advice in matters pertaining to credit. In this respect, the credit manager must endeavor to call from the vast majority of deserving applicants that class of applicants seeking to obtain undue advantage.—C. M. Reed, General Manager, The Retail Credit Men's Association, Denver, Colo.

1945 offers an opportunity to every credit granter to seriously promote new charge accounts and to sell present and former customers on buying more on credit. In every city, there are plenty of prospective charge customers who are reliable, settled people—not transient war workers—who are not among your present charge customers. Due to various regulations, many of your present and former charge customers look upon a charge account more as a nuisance than a convenience. Begin now a campaign to change their thinking.—W. V. Trammell, General Manager, Merchants Credit Association, Birmingham, Ala.

Credit Management in 1945 should be on the alert to transition reconversion and migratory problems. Policies should be formulated and action taken now toward "better customer relations," and the obtaining of new charge customers. A definite policy should also be established toward rechecking inactive and delinquent accounts.—John E. VanEpps, Executive Manager, Credit Bureau of Troy, N. Y.

Opinions of Credit Executives

The most important credit problem in 1945 will be an intelligent analysis of the individual credit risk. An increasing number of military discharges and war plant layoffs with resultant changes in occupation and income will place a great responsibility on credit personnel to provide sympathetic and sound counsel.—G. N. Abbott, Credit Manager, Hudson's Bay Co., Winnipeg, Man., Canada.

1945 brings us nearer the end of part of the war. Community Credit Policies should, therefore, be discussed without delay. The need is growing in importance for a common understanding of conventional credit extension plans. Caution may soon become necessary on applicants whose earnings have skyrocketed because of the war.—A. C. Artigues, Credit Manager, White Bros., New Orleans, La.

1945's most important credit problem will be the education and training of present staffs in the fundamentals and practices of sound credit. Because of conditions most credit men have given only sketchy training to employees. Now if credit is to expand as expected, thorough training programs must again be instituted.—E. E. Bogue, Credit Manager, I. Magnin & Co., Oakland, Calif.

Since finances have been above normal, I cannot decide how I will approach and regulate the users of credit when we get back to normal. At the present time we rate an account \$35.00 and sell them \$90.00 to \$100.00, but how can I approach them when their earnings are lower, and save their friendship?—E. H. Brown, Manager of Credit Sales, Shudde Bros., Houston, Texas.

Any definite thoughts relative to credit granting in 1945 must be predicated on the progress of the war during the year, and there is no positive information available. If the war in Europe should cease, there may be an immediate demand for expansion of credit with the thought in mind that the high wages of the war workers together with the accumulated savings should be diverted to trade at once. This would have a tendency toward overextension for, when these workers return to a normal income, many adjustments would be necessary. We would take a credit loss or grant an unusual extension of time for payment of the obligation. We must be alert, there-

fore, to changing conditions and consider the extension of credit on the amount of "take home" pay based upon the weekly wage without overtime. It has been quite generally agreed that Regulation W has been of great benefit. This being the case, we should not plan to discontinue the regulation immediately without being sure that credit can be kept under the proper control otherwise. It is only one of many regulations designed to prevent inflation and must take its place with the rest of them as the restrictions are released. There is no substitute for good common sense in extending credit, current or postwar.—C. G. Evans, Credit Manager, The Halle Bros. Co., Cleveland, Ohio.

It is difficult to say what will be the most important credit problem during 1945, for everything depends on the war. As long as it continues, the credit problems will be about the same. If, however, the war with Germany ends in 1945 and the postwar period begins, there will be a gradual increase in credit sales, especially in installments. These customers will bring us many new problems. It will be important, therefore, for us to have a well-trained personnel and an efficient accounts receivable system to take care of the anticipated increase in credit sales.—Mary A. Floran, Credit Manager, Conrad & Co., Boston, Mass.

Credit control through Regulation W will probably continue in 1945. Consumer demand for credit will not increase materially until durable goods are available and wartime employment softens. However, 1945 is the year for credit managers to review their systems, and streamline all phases of the credit department to be prepared for the deluge of consumer credit to come.—Frank D. Francis, Credit Sales Manager, The Emporium, San Francisco, Calif.

The most important credit problem for 1945 is a continuation of the problems we had in 1944, paying particular attention to the men discharged from the armed forces and the defense worker's possibility of being out of work together with a postwar planning toward a national credit policy.—Z. M. Hawk, Credit Manager, Sanger Bros., Dallas, Texas.

The most important credit problem confronting the credit granter for 1945 will be to keep in constant touch with the changed employment conditions of our customers. As the war plants are closed and production curtailed, customers will have moved and accounts will be owing. It will also be very important to make every effort to obtain new accounts, at the same time retaining the old ones.—W. R. Johnson, Credit Manager, American Furniture Co., Denver, Colo.

The most important problem for credit executives in 1945 is to maintain the proper balance in their own thinking. For the past three years, we have been dealing with free-spending customers and this could have clouded our perception of the true value of credit in normal times. Making decisions based upon a rule-of-thumb prescribed by the Government could have lulled us to sleep on the importance of judging credit risks wisely. Therefore, we must check ourselves carefully to make sure that we are still on the beam.—Kitty Lofton, Credit Department, Genuine Parts Co., Atlanta, Ga.

Credit sales experience has been so good since the advent of Regulation W that there is a tendency on the part of many to feel that continued government regulation is the only answer after the war. Careful analysis proves, however, that other factors, now present, have had an equal, if not greater, influence in the improved picture. Credit granters should strive during 1945 to correctly appraise the existing situation and to anticipate the real effect of postwar regulation when a plentiful supply of goods and services are available in a field of keen competition. It would be most unfortunate if regulation were continued with merchants' approval only to find that it produced obstacles in the path of normal postwar business expansion.—J. Gordon Ross, Supt. Customers Service and Credit, Rochester Gas and Electric Corp., Rochester, N. Y.

Our most important credit problems in 1945 will be along the following lines: Watch expenses, build customer's goodwill, educate our employees and provide for thorough education and training of new employees. The basis will then be laid for a credit

department and whole organization which will successfully carry over the probable period of merchandise shortage facing merchants during 1945. Our organization will then also be ready for the business development looked for when Victory over Germany has been attained in 1946 and when the defeat of Japan will be drawing nearer.—O. M. Prentice, Credit Manager, Cowichan Merchants Ltd., Duncan, B. C., Canada.

Probably the most important problems confronting credit granters in 1945 will result from the beginning of transition of employment from war to peace economy. Shifting of employment, movement from place to place and possible lower living standards due to reduced incomes will create problems of credit authorization, collections and locating.—T. L. Robinette, Manager, Dept. of Accounts, The Robert Simpson Co., Ltd., Toronto, Canada.

Following very closely the "back to small town" movement of people and getting together with management, sales department and advertising for laying of a sound foundation on sales and credit and collection policy for the year is the most important credit problem for 1945.—R. T. Schatz, Credit & Collection Supervisor, Washington Water Power Co., Spokane, Wash.

How to help consumer credit to regain its place in the sun after V-E Day, will be the number one problem for 1945. I look forward to:

- 1) A liberal attitude toward granting credit to returning servicemen and women.
- 2) Modernization of credit and selling techniques for better customer service.
- 3) An era of aggressive sales promotion, ascending in force with the increasing flow of civilian goods.
- 4) Proof, in this changing economy, that Federal credit regulations must go.—R. M. Severa, Cash-Time Manager, R. H. Macy & Co., New York, N. Y.

Most credit men have an idea of what to do in 1945 and are shaping their policies and procedures as of the post-war period. There will be readjustments to make and if control of accounts is watched closely and kept within bounds, there should be no reason for worry or fear.—C. R. Stowell, Credit Manager, T. S. Martin Co., Sioux City, Iowa.

The transition from wartime to peacetime manufacturing and conversion of plants from one activity to another make many jobs uncertain in our factories. With this uncertainty of employment will be found a good deal of unrest and the difficulty of locating some of the customers who have been forced to move, will be greater than ever before.—Leslie C. Weiss, Credit Manager, Sears, Roebuck & Co., Toledo, Ohio.

Presuming the war will end, especially with Germany, the most important credit problem for 1945 will be the credit checking on new customers who will appear from war industry centers, with probably lower income brackets, speedily and fairly. Customers' past credit standings will require Job's patience and Sherlock Holmes' ingenuity.—Edward A. Wright, Credit Manager, Savannah Electric and Power Co., Savannah, Ga.

One of the most important problems confronting the credit man in 1945 is to see that the accounts of war workers are paid in accordance with the terms agreed and that their limits are under control at all times. As soon as this war is won, many of these war workers will go back to their home towns without coming in to say "good-bye" to us before they leave. The first we will know of their leaving will be when the bills come back marked, "Address Unknown." I do not mean all war workers will do this, but enough of them will so that it will be to our advantage to keep such accounts under control.—Joel J. Pincus, Credit Manager, The Outlet Co., Providence, R. I.

One of the foremost problems confronting the credit granter for 1945 will be the transition of a considerable number of war workers to peacetime jobs. This will entail varied terms of unemployment, shifts in population as well as reduced incomes for many. Regulation W will be revised and extra vigilance will be required to prevent excessive charge-offs and too sharp a decline in collection percentages.—A. L. Mayer, Credit Manager, Greenfield's, St. Louis, Mo.

(Turn to "Credit Problems," page 26.)

Do Your Letters Make A Good Impression?

EVERY LETTER you write makes an impression—good or bad. You are helping to build, or destroy, the reputation of your firm. True, your collection letters may get the money these days, but are you looking toward the future and retaining your customer goodwill?

Would you like to improve the "pulling" power of your credit letters—through some service, perhaps, that would come to you regularly to show you how to make your letters

more human and resultful? Admitted, there are many excellent textbooks on business correspondence available.

But what you want—judging from the requests that have come to the National Office—is not only a textbook but also a service designed exclusively to streamline your correspondence—a "Better Letters Service" that will combine model credit letters that you can use and practical suggestions for the improvement of your own letters. Such a service is now available!

BETTER LETTERS SERVICE

Now expanded to include two additional letter writing aids for Credit Executives.

Here's what you'll get:

1. Every month, you will receive copy for five new credit department letters that you can use as they are or change to fit your needs. Included are model collection letters (some of which tie in with Regulation W), letters to revivify inactive accounts, credit sales promotion letters, adjustment letters, and others styled to handle specific credit problems.

2. Every month, too, you will receive a three-page Better Letters Bulletin filled with practical, usable suggestions that will help you to write better letters—and show you how to use letters to build goodwill, to bring back old customers, and get new ones.

3. Advisory service. The privilege to submit, once each month, one of your own letters for unbiased advice and constructive criticism. If used regularly, this alone is worth the price of the service.

4. Copy of the textbook *Streamlined Letters* by Capt. Waldo J. Marra; 450 pages with a waterproof binding. An outstanding authoritative book not only for text material but also handy for easy reference.

5. Copy of *Successful Credit Department Letters Volume II*; 32 pages of model letters that have been most effective.

All for \$20.00 a Year

NOTE: The Better Letters Service commenced on July 15, 1943. Copies of previous issues are available—while they last—for \$1.25 each.

FILL OUT THIS COUPON . . . MAIL IT TODAY

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Please enter my subscription for your Better Letters Service for one year, price \$20.00. Also send me previous issues at \$1.25 each for the months of _____

Check enclosed ☐

Mail bill ☐

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CREDIT FLASHES

Rex Smith New Lincoln Credit Head

When Rex A. Smith was installed President of the Lincoln Retail Credit Association, Lincoln, Neb., he was the second member of his family to be so honored. His father, H. B. Smith, served as fourth President of the Association in 1920.



Rex A. Smith

Rex Smith was formerly manager of ready-to-wear stores in Eau Claire, Wis., Ottumwa, Ia., and Sioux Falls, S. D. Later he was assistant Credit Manager of the Continental Oil Company at Lincoln. Since April, 1942, he has been Credit Manager for Ben Simon & Sons.



H. B. Smith

H. B. Smith was for several years Manager of the Charles C. Smith Tag Co., Exeter, Neb. Since 1918, he has been Credit Manager for Gold & Co., Lincoln. During his association with the Company the firm's volume of business has greatly expanded. Two years ago, cycle billing was installed to assist in handling the extra volume. For 26 years he has regularly attended the weekly and monthly meetings of the Lincoln Association.

War Stamps Clear Up Bad Debts

Something new in bill collecting has been successfully tried out by a physician just outside of Philadelphia. In looking over his accounts, he discovered a number of bills ranging from \$3.00 to \$25.00 that were fast becoming bad debts. Statements were sent month after month to no avail. He told his secretary to type the following note on all statements that were four months or more overdue:

"Would you be able to buy \$2.00 worth of War Saving Stamps each month and send them to me until your bill is paid in full? You will be doing something patriotic and I'll be clearing my books."

It was amazing how the stamps came in. The doctor uses them to buy bonds for his new granddaughter.—*Nation's Business.*

Howard W. Leonard Honored

At a recent luncheon, the Retail Credit Association of Pittsburgh and the Pittsburgh Credit Bureau honored Howard W. Leonard for his services during the past years to the two organizations. He is a past president of the Retail Credit Association and has been one of its directors for many years. He is also a director of the Credit Bureau. Mr. Leonard has been connected with Joseph Horne Company for fifty years and has been Credit Manager for most of that time. A fifty-dollar war bond was presented to him at the meeting. We congratulate him on his years of loyal service and join his many friends in wishing him continued success in the years ahead.

Suggests New Credit Slogan

Mr. J. Davids, Collection Manager, L. Frank Company, Washington, D. C., has submitted a slogan and suggests that it be generally adopted by the credit fraternity and used wherever possible during these "years of plenty." Here it is: "Pay your bills in full TODAY so that your Credit will be good TOMORROW." Turn to the back cover of this issue of *The CREDIT WORLD* and see how we have used Mr. Davids' slogan on our latest collection sticker.

Florida Credit Women Meet

The Associated Credit Women's Breakfast Clubs of Florida held their Eighth Annual Meeting in Orlando, October 22, 1944. Presiding at the breakfast was Adys R. Salley, President, who introduced the guest speakers: Joseph H. Riggs, A. B. Buckeridge, Harold A. Wallace, and A. L. Pollard. Following the breakfast, the Clubbers convened for a business session during which time inspiring and educational addresses were delivered by: Mrs. Marjorie Bates, Ethel Curry, Helen Brown, Brilla Snead. Mrs. Kitty Lofton, International President, honored the club in presenting her future ambitions and objectives for the ensuing year.

The following officers and directors were elected: President, Leila McCranie, Credit Bureau of Jacksonville; Vice-President, Mrs. Marjorie Bates, Sherwin-Williams Paint Company, Tampa; Secretary, Mrs. Mildred Graves, Standard Furniture Company, St. Petersburg; Treasurer, Mrs. Elmea Chinn, Mr. Foster's, Miami; Corresponding Secretary, Bessie Martin, Charles L. Wells Jewelers, Jacksonville; and Mascot, Mr. C. E. Moorman, Credit Bureau of Jacksonville. Directors, Mrs. Marjorie Bates, Tampa, Brilla M. Snead, Jacksonville, Mrs. Ruth Redfield, St. Petersburg, and Mrs. Ethel S. Curry, Miami.

Help Wanted

CREDIT MANAGER, for organization operating several retail stores in West Virginia. Must be between 30 and 40, experienced in general merchandising, cooperative, and able to instruct others in credit policies. Work under Comptroller. Some traveling. Salary, \$3,600 to \$4,500. Excellent opportunity for one knowing West Virginia. Address Box 153, CREDIT WORLD.

Positions Wanted

CREDIT, COLLECTION, OFFICE MANAGER, 15 years' experience in retail and wholesale lines. Draft exempt. Excellent references. Address Box 151, CREDIT WORLD.

CREDIT EXECUTIVE: Age 49. Now available as Credit Manager, or for responsible position in Treasurer's Office. Prefer connection in or near Akron or Cleveland, Ohio. Full details as to background available. No objection to traveling. Have covered the entire United States. Phone or write W. F. Nank, 564 St. Ledger, Akron 5, Ohio. Phone Stadium 5978.

CREDIT FLASHES

Jules T. Martin

Jules T. Martin, 55, President, T. S. Martin Co., Sioux City, Ia., died December 29, after several weeks' illness. He had retired from active management of the firm a number of years ago but returned following the death of his brother in September, 1943. He was the second of the three sons of the late T. S. Martin, founder of the firm. He is survived by his wife and one daughter.

J. W. Schneider

J. W. Schneider, 40, President, J. W. Robinson Co., Los Angeles, died suddenly of a heart attack December 14. He had been with the firm for almost 20 years and held various executive positions prior to becoming president in 1934. He had been active in civic and business organizations and at the time of his death was President of the California Retailers' Association and of the Retail Merchants' Credit Association of Los Angeles.

A. B. Trott

A. B. Trott, 67, President of Daniels & Fisher Stores Co., Denver, died suddenly of a heart attack December 15. He accepted a position with the firm as a stock boy in 1898 and advanced to department salesman, later heading various departments in the store. In 1919 he was elected Vice President and in 1929 became President. He was active in civic affairs and was a director of the Chamber of Commerce. His widow and daughter survive him.

Walter Beans Named Head of Daniels-Fishers

Walter Beans, formerly Vice President and Secretary-Treasurer, Daniels & Fisher Stores Co., Denver, has been elected President succeeding the late A. B. Trott. He joined the store nearly 34 years ago. A native of Pennsylvania, he started his business career as a teller in a bank at Hatboro, Pa. He has been active in civic and business organizations and is a former President and Director of the Denver Retail Merchants Association. He is generally regarded as an outdoor man and among his friends he is known as an all-round genial person who usually greets one with a smile. We wish him success in his new position.

1944 Retail Credit Survey

A retail Credit Survey will be conducted again by the Federal Reserve System to cover retail operations for 1944. Forms for use in reporting the information are being distributed this month. In the 1943 Survey, nearly 6,000 retailers made returns. The success of the Survey depends on the cooperation of retailers and our members are urged to again fill out the return when it is received. Anyone not receiving a schedule and wishing to submit data may obtain a form on request to the Research Department of the nearest Federal Reserve Bank.

For Sale

CREDIT BUREAU and Collection Office in Western Washington, containing 150,000 master cards and grossing about \$1,500 per month. Trade area 50,000. Cash or terms. Address Box 152, CREDIT WORLD.



BAROMETER

OF RETAIL

BUSINESS

Sales and Collection Trends

Compiled by Research Division, National
Retail Credit Association
ARTHUR H. HERT, Research Director

December, 1944 vs. 1943

COLLECTIONS INCREASED .4 per cent in December; credit sales 3.7 per cent; and total sales 13.9 per cent, in 33 cities in the United States and Canada reporting to the Research Division, as compared with December, 1943. *Credit sales exceeded the 1943 level, while the increase in total sales was somewhat less than last year. Collections remained practically unchanged.*

Highlights of the monthly analysis are shown in the tables below:

Highlights-December

- 33 Cities reporting.
- 10,756 Retail stores represented.

COLLECTIONS

- 17 Cities reported increases.
- 4% Was the average increase for all cities.
- 15.6% Was the greatest increase (Joplin, Mo.).
- 2 Cities reported no change.
- 14 Cities reported decreases.
- 15.0% Was the greatest decrease (Bay City, Mich.).

CREDIT SALES

- 25 Cities reported increases.
- 3.7% Was the average increase for all cities.
- 20.0% Was the greatest increase (Joplin, Mo.).
- 8 Cities reported decreases.
- 10.0% Was the greatest decrease (Bay City, Mich.).

TOTAL SALES

- 32 Cities reported increases.
- 13.9% Was the average increase for all cities.
- 25.6% Was the greatest increase (Austin, Texas).
- 1 City reported no change (Cheyenne, Wyo.).

Credit Department Letters

ONE OF OUR READERS wrote to us the other day and commented, "Although I agree with you that good letter-writing is essential, yet aren't you putting too much emphasis on *careful* writing, choice of words, avoidance of stereotyped expressions, etc.? From reading the letters I receive, it seems to me that many of the men who write to me are not too careful with their correspondence—and I doubt whether they would notice the difference in mine."

The point this reader raises is interesting. Probably his better choice of words and his more careful method of presenting ideas may not be noticed by his readers, *but* . . . his thoughts will be more forceful if they are expressed in clear, straightforward language. His meaning will not be obscure if he uses specific words that express exactly what he desires to say. With such writing, he is more likely to secure the reaction desired of the reader, and his letters will thus be more successful.

To get results, a letter must convey ideas so simply and so exactly to the reader that he will accept them without conscious effort and will agree with each point as it is presented. But to produce such a letter, careful planning is necessary . . . and that takes thought! Although thinking *is* hard work, it pays big dividends in results and in the satisfaction of a job well done.

This Month's Illustrations


Illustration No. 1, used by Reymer & Brothers, Inc., of Pittsburgh, Pa., and signed by R. W. Sloan, Credit Manager, is an excellent sales promotion letter mailed at an appropriate time to appeal to all active accounts of the firm and spur them to action—in this case, the buying of "a box of quality candy" packed and decorated

by Reymer. As a box of good candy is always a welcome gift, this suggestion no doubt helped to solve many a person's gift problem. With the letter mailed 15 days before Christmas, it was perfectly timed for the Holiday Season. The letter presents a real sales demonstration. The opening sentence makes a matter-of-fact statement that emphasizes the convenience of a charge account. Then the second paragraph appeals to the reader's appreciation of how appropriate a gift a box of good candy can be. That thought is given further emphasis in the next sentence. The last paragraph is particularly good because it is positive in its suggestion. All the customer has to do in order to act is to telephone or to write, giving instructions, and say "Charge it"! The very simplicity of 'phoning or writing creates a definite suggestion in the mind of the customer to act positively.

Illustration No. 2, is a good example of a letter to inactive accounts. The opening words, "Thank you" attract the eyes and cause the customer to read further. The layout of the letter, too, is different and refreshing, and this adds to the letter's attractiveness. The second paragraph frankly asks the customer what the reasons may be for the inactivity of the account so that amends can be made, if necessary. In the next paragraph, an attempt is made to sell the customer on the attractive merchandise the store has on display so that she will come in to look over the variety of things suitable to her needs. The last paragraph not only invites the customer to "charge it" as she formerly did, but it also appeals to her vanity and good-will through the words "We miss you."

Illustration No. 3, is a sincere, easy-reading, smoothly-flowing letter that urges action on the part of the customer from the first word to the last. This letter illustrates both simplicity in idea and definiteness in objective. It has none of the extra verbiage that often confuses a reader, but instead it is direct and straight to the point. In my experience I have found that short letters that are expressed vividly and simply are unusual. Why this is so, is hard to say except that oftentimes a simple thought is discarded by a dictator because it is too simple.

Illustration No. 4, uses a novel method of calling attention to a past-due bill. "If," "If Not," and "Thank You" represent the gist of the message. The rest of the letter is built around these three expressions. The "startling statement" opening attracts immediate attention and yet is positive in its suggestion, followed as it is by the "If" statement. The "If Not" idea then hammers home the main point of the message, which urges prompt remittance. The latter is made easy by enclosing a return envelope for convenience in mailing.



Order from

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Shell Building St. Louis, Missouri

Emblem Electros

MANUFACTURING CONFECTIONERS RETAIL AND WHOLESALE

REYMER & BROTHERS, INC.

POST OFFICE BOX 508
PITTSBURGH, PA.

1

December 10, 1944

Mrs. Marion Blair
14985 Second Street
Swissvale, Pennsylvania

Dear Mrs. Blair:

We hope you have found your charge account with us a convenience and that you will continue to use it.

A box of quality candy packed and decorated the REYMER way makes a truly appropriate and appreciated gift. There is probably no other gift that can be bought for so little that affords as much enjoyment as good candy.

Let us solve your next gift problem whether for a birthday, anniversary or any other special occasion.

Just phone Grant 4680 or write P.O. Box 508, with instructions to "Charge it." We'll do the rest. You'll be as proud to have sent it as we are to have produced it.

Yours very truly

R. V. Sloan
R. V. Sloan
Credit Manager

RMS/PC

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58-80 SOUTH SECOND STREET
MEMPHIS, TENN.

3

December 2, 1944

Mr. Kenneth West
One Hundred Rock Road
Memphis, Tennessee

Dear Mr. West:

Knowing how much easier it is to pay a new bill than it is an old one, we are calling your attention to your account which is just beginning to become past due.

We shall appreciate your remittance, just as we appreciate the business you are giving us.

Very truly yours

Austin Carey
President

AC/MB

W. G. REEVES, PRESIDENT
L. R. CHRISTIE, SECY. 1944

JOHN H. WYNN, VICE PRES.
HENRY T. REEVES, VICE PRES.

UNITED OIL CORPORATION



SHELL PETROLEUM PRODUCTS GOODYEAR TIRES & BATTERIES

WILLARD BATTERIES

SUPER SERVICE STATION 1315 1st AVE. TELEPHONE 3 4481
BULK PLANT 5th ST. AT 10th AVE. TELEPHONE 3 2381

EXECUTIVE OFFICE 12th 10th AVE.
TELEPHONE 3 4376
COLUMBUS, GEORGIA

4

December 22, 1944

Mr. Alfred Winter
Newman and Davis Blvd.
Columbus, Georgia

Dear Mr. Winter:

Please throw this statement in your waste paper basket

IF

Your remittance covering your account is on its way to us, but

IF NOT

please pin it to this reminder, mail promptly using the attached envelope and give us the opportunity to say

THANK YOU!

Yours very truly
L. R. Christie
L. R. Christie
Credit Manager

IRC AL

LEONARD WAGNER, PRESIDENT

L. L. HERRICK, PRESIDENT

W. G. PORTER, VICE PRES.



Levy Bros. Dry Goods Co.

NEW YORK OFFICE
110 N. 10th STREET
APARTMENT 110 COMMUNICATIONS TO THE FIVE

P. O. BOX 1229

HOUSTON, TEXAS

December 16, 1944

2

Mrs. Julius Ray
1010 Main
Houston, Texas

Dear Mrs. Ray:

Thank you! We should have said this long ago because we really do appreciate your patronage.

The fact that your account has been inactive recently has caused us concern, and we are sincerely interested in any reason there may be for this. Won't you please tell us, so that we may make amends? We try through our merchandise, various services, and last minute styles, to make it worth your while to shop here.

It is our hope that some part of this store may regularly assist in meeting your requirements. We believe that there has never been so many fascinating things in the store suitable for your needs, and that you would enjoy coming in to see them.

Come in again and "charge it." We miss you and want you back.

Sincerely

B. B. Schram
B. B. Schram
Credit Manager

BBS MO

Collection Scoreboard

December, 1944 ★ ★ ★ ★ ★ ★ ★ December, 1943

THIRTY-FIVE KEY CITIES CONTRIBUTE THESE FIGURES MONTHLY

CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1944			1943			1944			1943			1944			1943			1944			1943		
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
Baltimore, Md.*	—	—	—	53.5	63.8	43.2	—	—	—	37.6	50.0	26.2	—	—	—	51.0	55.7	39.8	—	—	—	58.0	59.3	56.6
Birmingham, Ala.	60.7	66.0	55.0	60.0	65.4	54.0	30.0	31.0	29.0	26.5	27.0	26.1	56.6	70.0	45.0	55.7	69.0	44.2	75.2	81.0	68.8	72.0	84.7	65.3
Cedar Rapids, Ia.	73.4	90.0	69.7	78.4	94.5	71.9	39.3	45.0	33.7	39.7	46.0	33.5	—	—	—	—	—	—	85.0	89.5	80.5	88.0	95.5	80.5
Cincinnati, Ohio*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cleveland, Ohio*	—	—	—	61.1	70.0	54.8	—	—	—	39.2	45.8	26.1	—	—	—	53.0	56.5	42.0	—	—	—	—	—	—
Columbus, Ohio	62.5	70.0	55.1	64.4	70.5	58.3	29.9	50.8	22.1	31.2	48.0	22.4	64.9	69.5	46.7	63.5	66.0	51.3	—	—	—	67.5	102.7	56.7
Davenport, Ia.	61.3	66.8	55.8	62.0	67.1	57.0	40.3	50.0	30.7	27.8	29.4	26.2	—	—	—	—	—	—	62.3	—	—	—	61.0	—
Denver, Colo.*	—	—	—	61.4	71.3	56.8	—	—	—	29.2	58.3	26.5	—	—	—	64.0	71.3	56.8	—	—	—	63.5	71.3	56.8
Des Moines, Ia.	65.1	67.8	66.4	65.0	67.8	62.3	—	31.7	—	—	—	—	58.3	76.0	56.0	57.9	76.0	49.4	68.2	76.4	60.0	71.7	77.1	66.3
Grand Rapids, Mich.	63.9	67.0	62.6	66.1	66.7	65.4	37.5	39.5	35.5	—	—	—	54.4	59.9	50.0	56.2	63.5	51.8	90.3	103.0	74.0	82.7	103.0	61.6
Kansas City, Mo.*	—	—	—	69.9	75.5	64.4	—	—	—	25.6	31.6	19.7	—	—	—	74.8	84.0	63.9	—	—	—	—	—	—
Los Angeles, Calif.	74.3	80.7	61.3	74.2	85.3	65.3	28.2	32.6	22.5	—	—	—	62.9	68.0	57.9	65.0	72.2	58.8	72.6	76.9	61.6	65.8	78.7	59.0
Louisville, Ky.	58.4	60.5	56.3	65.4	69.8	60.9	28.6	32.9	24.6	29.0	31.9	25.5	52.6	65.0	43.0	54.4	57.0	52.2	67.5	73.8	61.1	62.9	68.8	57.1
Lynn, Mass.	66.4	67.7	61.4	64.4	73.7	56.2	41.1	45.0	37.3	51.9	53.8	50.0	—	—	—	—	—	—	—	—	—	—	—	—
Milwaukee, Wis.	66.9	69.9	62.1	67.4	69.6	63.9	37.7	39.5	35.9	34.5	37.4	31.7	63.0	64.6	55.4	62.1	65.1	59.2	—	—	—	—	65.7	—
Minneapolis, Minn.	83.6	87.0	79.5	82.1	87.1	76.4	44.5	45.8	43.4	43.9	50.4	38.5	76.8	81.2	72.4	81.1	86.2	75.9	71.0	71.5	70.3	66.6	75.4	61.9
New York, N. Y.	53.6	77.7	38.6	54.7	62.2	39.9	27.2	46.3	15.6	25.3	45.2	17.5	49.2	58.0	42.2	52.9	55.5	45.8	79.6	86.9	72.3	65.9	66.8	65.0
Oakland, Calif.	68.6	74.6	63.1	69.3	74.2	67.1	35.8	63.3	30.4	34.9	62.8	29.2	54.0	61.1	47.0	60.5	68.4	52.6	64.0	66.9	58.5	65.0	67.0	58.2
Pittsburgh, Pa.*	—	—	—	61.6	67.3	54.4	—	—	—	30.2	37.7	22.6	—	—	—	59.2	67.3	45.2	—	—	—	—	—	—
Providence, R. I.	56.0	62.0	54.4	57.0	61.4	55.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
St. Louis, Mo.	72.3	78.9	68.5	72.1	78.3	70.1	40.9	56.6	32.4	39.6	50.6	30.7	65.2	71.3	54.4	65.0	69.0	68.8	66.8	73.1	63.4	66.2	68.9	63.7
St. Paul, Minn.	69.9	81.9	60.0	72.3	85.7	52.4	45.4	60.7	25.4	40.0	41.3	37.7	53.0	58.4	60.3	61.4	62.6	60.3	59.1	72.0	51.0	59.7	71.7	55.0
Salt Lake City, Utah	87.4	91.0	83.2	85.4	87.0	84.1	40.4	41.3	39.6	41.5	44.0	39.6	—	—	—	—	—	—	—	—	—	—	—	—
San Antonio, Texas	65.0	71.0	55.0	58.4	69.2	56.1	—	19.0	—	—	28.7	—	62.0	64.6	55.7	58.0	66.6	56.0	—	71.5	—	—	62.0	—
San Francisco, Calif.*	—	—	—	68.0	79.4	59.4	—	—	—	44.9	49.7	30.0	—	—	—	51.0	58.1	49.0	—	—	—	60.2	65.0	59.7
Santa Barbara, Calif.	69.8	86.5	52.3	67.8	81.0	49.3	—	—	—	—	—	—	74.2	86.7	62.7	72.8	98.0	56.3	86.6	97.8	74.0	86.3	99.8	70.2
Sioux City, Ia.	70.4	71.3	69.5	69.7	70.3	69.2	28.3	34.0	22.7	29.6	31.8	27.5	—	73.0	—	—	70.0	—	—	80.1	—	—	92.1	—
Springfield, Mass.	70.4	73.3	67.5	71.3	75.3	67.3	43.4	58.0	28.7	43.0	71.5	28.5	—	—	—	81.1	—	—	67.0	67.9	66.0	68.6	68.9	68.2
Toledo, Ohio	62.9	63.0	61.1	63.6	65.9	55.7	26.9	32.3	19.8	21.7	32.5	17.0	61.2	65.0	57.4	59.4	64.0	54.9	53.0	55.0	51.1	52.1	53.2	51.0
Washington, D. C.*	—	—	—	57.9	61.4	54.9	—	—	—	24.4	28.8	21.4	—	—	—	—	—	—	—	—	—	—	—	—
Worcester, Mass.	62.5	66.9	58.1	63.2	67.5	59.0	—	30.0	—	—	31.3	—	54.0	55.7	51.0	59.0	81.0	57.3	—	62.0	—	—	61.0	—
Youngstown, Ohio	64.5	71.0	58.0	68.0	73.0	63.1	25.6	28.0	23.2	27.7	28.3	27.1	—	44.0	—	—	46.7	—	—	85.2	—	—	86.4	—
Regina, Sask.*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vancouver, B. C.	87.3	94.9	79.8	83.9	92.4	75.5	44.0	50.6	37.4	29.9	34.1	25.7	—	51.0	—	—	70.0	—	—	—	—	—	—	—
Victoria, B. C.	91.0	97.4	84.7	86.8	95.3	78.3	58.3	60.2	56.4	48.1	49.5	46.7	—	—	—	—	—	—	—	—	—	—	—	—

*1944 figures not received at press time.

In the News

★ **EACH MONTH** a paper shredder at the Cleveland OPA office chews up ration coupons with a value of 356,000,000 gallons of gasoline, 153,000,000 pounds of sugar, 2,507,000 pairs of shoes, 956,000,000 point-value of foods. Under ultraviolet lamps which sort out the good from the bad, 40,000 counterfeit coupons turn up monthly.

★ **THE COMMERCE DEPARTMENT** estimates that American consumers spent \$97 billion for goods and services in 1944, the largest total in the nation's history. This figure is 6% above 1943 outlays and more than 50% above the 1939 aggregate of \$61.7 billion. Rising prices accounted for some of the increase, but the actual quantity of goods and services bought last year was somewhat larger than in 1943.

★ **WESTERN RESERVE UNIVERSITY**, Cleveland, has started a new course for veterans in the management of small business organizations for which they may receive loans under the terms of the G.I. Bill. The need for such a course is recognized in view of the high mortality of small scale private enterprise.

★ **MONEY** in circulation in the United States has gone over the \$25 billion mark. The increase for November was \$630,859,490.

★ **UP TO** the sixth war loan drive, 81 million American patriots held nearly \$37 billion in war bonds. Only one-quarter of the population bought Liberty bonds in the last war.

★ **FARMERS** are in the best financial position in their history. In the last three years they have accumulated \$12,500,000,000 in war bonds and other savings. According to a statement in Mutual Underwriter, they had \$6,500,000,000 in the banks on January 1, 1944.

★ **HONORABLY DISCHARGED** war veterans now have 90 days instead of 40 days in which to make application for reinstatement in their former employment. Under the new legislation the 90-day period is measured from the date of the veteran's discharge or release from a service hospital. Veterans discharged before the law became effective are entitled to the extension, provided the 90-day period had not expired as of Dec. 8.



MONTHLY CREDIT STATISTICS

Culled from *Federal Reserve Bulletin* of the Federal Reserve System
by the Research Division, National Retail Credit Association

CONSUMER CREDIT outstanding increased about 180 million dollars during November to an estimated total of 5,600 millions. Heavy seasonal buying accounts for this increase which occurred principally in charge accounts and in instalment sale credit for consumers' durable goods other than automobiles.

Instalment loans outstanding showed little change during November but continued somewhat above the year-ago level. Instalment sale credit showed more than the customary expansion in November but at the end of the month was 6 per cent less than a year ago.

Charge-account indebtedness in November continued to increase by more than the usual seasonal amount for the second consecutive month. At the end of November, 1,664 million dollars were outstanding on charge accounts, approximately 14 per cent more than the corresponding date of 1943.

Ratio of Collections to Accounts Receivable¹

MONTH	INSTALMENT ACCOUNTS				CHARGE ACCOUNTS
	DEPARTMENT STORES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	
1941					
December	20	11	12	23	46
1942					
June	22	14	13	22	56
December	31	18	15	30	65
1943					
June	29	21	21	33	62
September	33	21	21	33	62
December	35	22	22	55	63
1944					
January	30	20	22	31	61
February	31	20	22	31	61
March	36	23	26	34	65
April	31	23	26	28	63
May	33	25	26	30	64
June	31	24	28	30	63
July	30	23	29	31	61
August	34	24	32	31	64
September	35	24	33	32	64
October	30	20	30	33	65
November	39	24	38	35	67

¹Ratio of collections during month to accounts receivable at beginning of month.

CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOTIVE

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL, EXCLUDING AUTO-MOTIVE	DEPARTMENT STORES AND MAIL-ORDER HOUSES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	ALL OTHER RETAIL STORES
1941	1,805	469	619	313	120	284
1942	1,012	254	391	130	77	160
1943	641	174	271	29	66	101
1943						
June	688	168	301	64	47	108
July	642	155	286	55	45	101
August	617	149	279	48	44	97
September	600	148	272	42	44	94
October	596	151	269	37	45	94
November	601	160	266	32	48	95
December	641	174	271	29	66	101
1944						
January	576	158	248	24	55	91
February	540	147	236	21	51	85
March	529	144	231	19	52	83
April	518	141	229	18	48	82
May	519	141	235	16	45	82
June	515	138	237	15	44	81
July	502	132	234	14	43	79
August	499	132	233	13	42	79
September	510	138	236	13	43	80
October	533	148	244	13	44	84
November	564	162	253	13	47	89

DEPARTMENT STORE SALES BY TYPE (Percentage of total sales)

YEAR AND MONTH	CASH SALES	INSTALMENT SALES	CHARGE-ACCOUNT SALES
1941—January	49	8	43
June	48	8	44
December	53	6	41
1942—June	56	5	39
December	61	5	34
1943—June	60	4	36
September	61	5	34
December	65	4	31
1944—January	64	4	32
February	63	4	33
March	62	4	34
April	62	4	34
May	62	4	34
June	63	3	34
July	65	4	31
August	64	4	32
September	63	4	33
October	63	4	33
November	62	4	34

TOTAL CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL CONSUMER CREDIT	TOTAL INSTALMENT CREDIT	INSTALMENT CREDIT				SINGLE- PAYMENT LOANS ²	CHARGE ACCOUNTS	SERVICE CREDIT
			SALES CREDIT			LOANS ¹			
			TOTAL	AUTOMOTIVE	OTHER				
1941	9,499	5,921	3,747	1,942	1,805	2,174	1,204	1,764	610
1942	6,165	2,932	1,494	482	1,012	1,438	1,072	1,513	648
1943	5,158	1,939	816	175	641	1,123	1,034	1,498	687
1943									
June	5,095	2,075	896	208	688	1,179	1,014	1,338	668
July	4,883	1,993	838	196	642	1,155	994	1,222	674
August	4,810	1,939	807	190	617	1,132	996	1,198	677
September	4,909	1,917	786	186	600	1,131	1,038	1,275	679
October	5,010	1,891	777	181	596	1,114	1,073	1,366	680
November	5,114	1,882	778	177	601	1,104	1,084	1,466	682
December	5,158	1,939	816	175	641	1,123			
1944									
January	4,818	1,836	745	169	576	1,091	1,034	1,498	687
February	4,662	1,785	707	167	540	1,078	996	1,294	692
March	4,836	1,804	696	167	529	1,108	962	1,218	697
April	4,801	1,785	689	171	518	1,096	955	1,376	701
May	4,898	1,801	700	181	519	1,101	966	1,346	704
June	4,945	1,826	707	192	515	1,119	997	1,390	710
July	4,882	1,833	706	204	502	1,127	1,033	1,370	716
August	4,926	1,837	709	210	490	1,128	1,038	1,287	724
September	5,017	1,856	719	210	500	1,137	1,026	1,330	730
August	4,988	1,809	709	210	490	1,190	1,029	1,402	733
September	5,282	1,921	720	210	510	1,201	1,228	1,330	730
October	5,420	1,944	743	210	533	1,201	1,228	1,402	732
November	5,600	1,979	772	208	564	1,207	1,228	1,516	732
							1,225	1,664	732

¹Includes repair and modernization loans. A revision of repair and modernization estimates was shown on p. 392 of the BULLETIN for April, 1944. This revision is preliminary and subject to change.

²An estimated total of noninstalment consumer loans; i.e., single-payment loans of commercial banks and loans by pawnbrokers.

Map of Business Conditions

At the start of the new year, the volume of business is 15 per cent higher than even the high rate which prevailed at the beginning of 1944. The general level is over two and one half times higher than it was in the prewar years and the indications now are for a continuation of the present level for some time. The signs of slackening which appeared at times during the last few months have disappeared and current trend in business volume is again gradually upward.

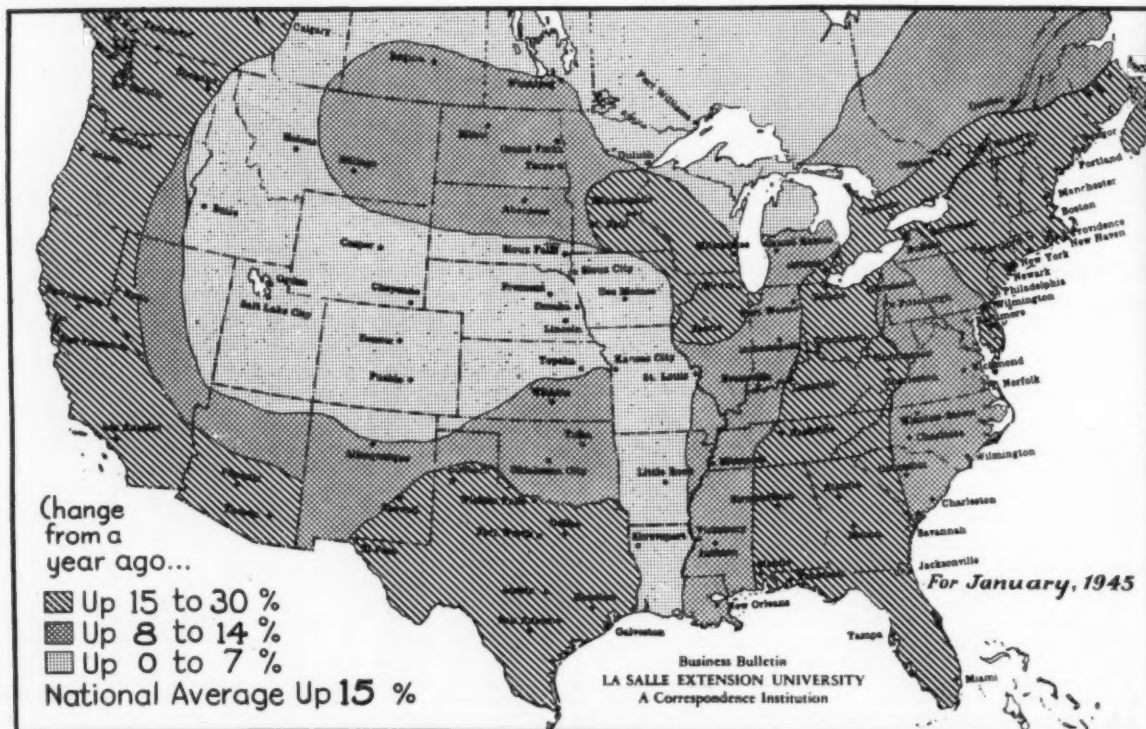
The Map shows that the greatest gains have again been made in the major industrial regions, although some agricultural sections have not been far behind. The most recent trends have boosted business along the Pacific Coast and in the New England states. Business in the industrial area around the Great Lakes is also holding up better than the national average.

The increase along the Atlantic Coast, both in the north and in the south, has been due to the large new orders for war materials and equipment. Shipments abroad for the armed forces as well as for lend-lease have been a predominant factor in all the seacoast cities. Spending is still large in connection with the military camps throughout the South and it has helped stimulate trade in that part of the country.

Around the Great Lakes, war production in large numbers of factories is keeping business activity high in nearly every community. Cities in which steel mills are located have gained somewhat less than have those in which the manufacture of finished products and equipment is predominant. Steel operations have changed little during the last year.

Agricultural conditions in the Middle West are favorable but business in that section of the country has not increased quite so much as it has in other regions. In the Southern states, especially Texas and the Southwest, business has been slightly better than in the North. Good crops and large output of petroleum account for these differences.

Activity in the mountain states has been lagging slightly but it is still better than a year ago. Mining operations have been speeded up in order to furnish the metals that are needed to produce military supplies.



"Credit Problems"

(Beginning on page 16.)

With the possibility of the war, or at least the European conflict being over, it will be the test of the real credit executive to readjust his accounts and promote additional accounts with an entirely new standard of living, different than that to which we have been accustomed during the past four years.—Floyd J. Redding, Credit Manager, Kay's Jewelers, Lima, Ohio.

♦ ♦ ♦

Many of our 1944 problems will be with us again in 1945. Especially, important will be to watch closely the constant shifting of employees from one section of the country to the other which will no doubt increase when war factories change over to civilian production. Also the returning soldier with his war bride will bear careful watching as there is a tendency to over buy with jobs and money plentiful.—F. K. Welch, Manager, Department of Regular Charge Account Purchases, Sanger Bros., Dallas, Texas.

♦ ♦ ♦

The most important credit problem for 1945 is strengthening the local credit men's association. Especially will this be true if Regulation W should be abolished during the year. Closer cooperation among a greater number of firms will place our house in order to meet present as well as post-war problems.—Fred R. Medlen, Credit Manager, M. Lichtenstein & Sons, Corpus Christi, Texas.

♦ ♦ ♦

The most important credit problem confronting the credit granter for 1945 is the problem of the migrant worker account. There will be many more dislocations which will be caused by both work stoppages and cuts in "take home" pay. There are a great many workers who are making purchases on the basis of their current pay without much thought being given to how they will meet obligations when and if their overtime pay is cut off. The handling of these customers, many of whom will go back from where they came as soon as they receive their cut back in pay, is really going to be a huge problem.—H. H. Morse, Credit Manager, Armstrong's, Cedar Rapids, Iowa.

Recent Elections

Des Moines, Iowa

C. M. Kirtley, The Morris Plan Bank, was elected President of the Retail Credit Association of Des Moines for 1945. Others elected are: Vice-President, Milo Thornton, Itlis Lumber Co.; Treasurer, George Jorgensen, Iowa-Des Moines National Bank; and Secretary, H. C. Bush, Credit Reference & Reporting Co. Directors: Charles Ritz, Davidson Co.; Louis Waters, Standard Oil Co.; William Yates, Manbeck Motors Co.; Fred Hockett, Cownie Furs; Mrs. Vera Murphy, Office Equipment Co.; and Abe Leener, Ginsberg's Furn.

New Orleans, Louisiana

Installation of 1945 officers and directors of the Retail Credit Association of New Orleans, Inc., took place on December 2. They are: President, Edw. S. Burke, Gus Mayer Co. Ltd.; 1st Vice-President, Gerald E. Tell, D. H. Holmes Co. Ltd.; 2nd Vice-President, A. C. Artigues, White Bros.; Treasurer, Armand P. Guizerix, Local Finance Co.; and Secretary, Chas. D. Bornwasser, Roosevelt Hotel. Directors: Harris Copenhaver, New Orleans Retailers Credit Bureau; Emile J. Flautt, New Orleans Public Service; P. N. Gravois, Jr., Foundation Plan; Ray J. Haydel, Coleman E. Adler & Sons; A. Konrad Lagarde, White System of New Orleans; Geo. J. Peterson, Maison Blanche Co.; Clarence C. Rillieux, Mintz & Goldblum; Julius A. Rupp, Marks Isaacs Co.; and Armand J. Rodehorst, Gately Marble & Granite Works.

St. Louis, Mo.

At the 30th annual meeting held in December, the Associated Retail Credit Men of St. Louis, elected the following officers and directors to serve this year: President, Tuscan Boaz, Boyd's; Vice-President, Ed. Fey, Stix, Baer & Fuller; Treasurer, Walter Menzenwerth, St. Louis Dairy Co.; and Secretary, A. J. Kruse, Credit Bureau. Directors: Miss Audrey O'Brien, Hellrung & Grimm; A. L. Mayer, Greenfield's; Miss Dorothy Kuhs, Lane Bryant; Joseph Holtzman, Kline's; George Luebli, Biederman Furn. Co.; Robert Kerr, First National Bank; I. Davis, Lane Bryant; Arthur Nelson, Socony-Vacuum Oil Co.; Saul Zeve, Union-May-Stern; and Harry R. Zollinger, Zollinger's.

Edmonton, Alberta, Canada

The Credit Granters' Association of Edmonton elected the following officers and directors for 1945: President, Harry Genser, Walk-Rite Style Shoppe, Ltd.; Vice-President, J. Judge, The T. Eaton Co. Ltd.; and Secretary-Treasurer, C. H. Williams, Credit Granter's Bureau, Ltd. Directors: J. H. A. Perry, Hayward Lumber Co. Ltd.; R. Kennedy, Loveseth Service Station, Ltd.; A. Wotherspoon, Henry Graham & Reid, Ltd.; J. D. Hughes, Traders Finance Corp. Ltd.; H. S. Millar, Greene & Millar; A. Broder, H. Kelly & Co. Ltd.; and Wm. Clyde, Personal Loan & Finance Corp. Ltd.

Cleveland Conference Cancelled

In cooperation with the Office of Defense Transportation in its effort to lighten hotel and transportation burdens for the war effort, the Board of Directors of the National Retail Credit Association voted unanimously to cancel the 32nd Annual Conference and Credit Sales Forum which was to have been held in Cleveland, Ohio, May 22, 23 and 24, 1945.

On a previous occasion, and in line with the wishes of the Government, this Association took similar action by cancelling its 1943 annual meeting which was to have been held in Milwaukee, but instead was held in that city in 1944. Regardless of when we meet, our next annual Conference will be held in Cleveland.

The following District Conferences have been cancelled and will not be held until conditions permit:

Districts	Date Scheduled	City
2-12	Feb. 12-13	New York, N. Y.
3-4	March 12-14	Charlotte, N. C.
5-13	May 22-24	Cleveland, Ohio
6	Feb. 25-27	Des Moines, Ia.
7	Feb. 19-21	Little Rock, Ark.
10	Apr. 14-17	Missoula, Mont.

It is expected that the conferences of Districts 1, 8, 9, and 11, which were to have been held in the spring or early summer, will also be cancelled.

L. S. Crowder
General Manager-Treasurer



Granting Credit in Canada



J. H. SUYDAM • • • Canadian Correspondent

Let's Face Realities*

Just what are some of the situations likely to affect ourselves or our relations or our friends or people about whom we read?

Automobiles and Radios. Take for instance the outlook in the automotive and radio industries—two industries whose products command the greatest degree of consumer insistence. Following the last war the expansion of these two industries with their companion services provided the impetus leading to the prosperity of the late twenties. Once more we can expect them to provide vast employment opportunities because, even allowing for extended manufacturing facilities, it will take the automobile manufacturers five years or more to catch up with the latent demand.

But before this period of steady long-time employment comes into effect there will be some months of shut-down to permit the reorganization of plants. Employees of these plants must, therefore, face a period of layoff tempered by the promise of steady prosperous employment to come. Statistically, a tremendous fall in production will be registered, together with serious unemployment in the automobile and radio industries.

Some of these workers will, of course, be hard put to it, but on the whole the workers in these industries will take the layoffs, not too averse to enjoying a well-earned rest with the assurance of busy days ahead. It will be a period of scant employment, but not a period of depression as measured by the feelings of the workers. They simply will not feel depressed.

Accessory and Service Fields. In the automotive repair, accessory, and service fields a different situation prevails. People have cars—old to be sure—but ready and anxious to roll. No need to stress the clamour that will rise for tires, gasoline and repairs once the restrictions are removed. The oil refinery, tire, garage and service station industries, therefore, face a frantic activity capable of providing great employment over a long period. The same industries existed after the last war, but only fractionally as compared to their present scope and capacity. There will be no depression here either statistically or psychologically because the reserves of demand and purchasing power will unquestionably be centered on these industries, together with the business of catering for tourists.

Machine Tools. To what extent, if at all, Canada has developed a war industry in machine tools I do not know. But I am sure that wherever it exists the

machine-tool industry will have overexpended in order to meet war demands and the unfavorable position of this business will be aggravated by the tremendous supply of machine tools which will be left in government hands. It is unthinkable that beautiful precision machinery such as is to be seen in our ordnance plants and in fine engineering works should be scrapped. One first-class idea has been to set up the War Assets Corporation to hold surpluses of this sort and to feed them to the market in a way not calculated to ruin established businesses. That there will be a ready demand for these beautiful modern tools is almost sure and there will be great pressure from business for their release at attractive if not at bargain prices. But like all surpluses these tools will for some time be a disturbing element in the market and, therefore, in the industry.

Government Stocks. The same condition will apply to innumerable surplus stocks owned by the government. There were surpluses on hand in 1918-1919 when they were quickly sold off at super-bargain prices to speculators who acquired wealth reselling at bargain prices. This time an attempt will be made to regulate the market and to give the public rather than speculators any price advantages that may prevail. We can expect vast surpluses in minerals such as aluminum and copper, and it will take skill and patience to liquidate these stocks without disturbance to business. I cannot see the Canadian public clamouring for army boots, underwear, blankets and so on, because surpluses of this nature will lack the style appeals to which we have all become accustomed. None the less it is possible that great supplies of even such unattractive goods as these can depress a market due to the threat of their being offered at very low prices. Fortunately, however, our government seems fully alive to the splendid "out" provided by lend-lease which provides a ready market for any goods we should dispose of in order to help to keep our factory wheels turning.

Status of Food Business

Food Industries. The dire necessity for feeding devastated countries for at least a year after hostilities cease will provide an immediate fillip to the food industries which will benefit from direct subsidies to the primary producers and from government buying in the processed field. The outlook for satisfactory employment in the food business is good, because relief shipments abroad appear to be natural and acceptable in the case of food.

All to the good is the fact that many of the men responsible for engineering the swingback from war to peace were associated with the same job twenty-five years ago; and that experience will help us to do the job better this time. For one thing we can expect demobilization to be handled in a way to minimize as much as possible the difficulties facing our servicemen.

*This is the second part of an address given by Professor E. H. MORROW at a meeting of the Retail Credit Grantors Association of Vancouver. The first instalment appeared in the January issue.

The general public, too, is better informed on matters of economic import and will be less panicky than they were in the 1930's because the people generally will realize that this time it will really not be long before we shall be safely around that famous "corner."

The financial and economic conduct of this war has been vastly superior to the handling of the last war, with the happy result that we shall move into peace with accumulated savings and with a price structure that has been kept within reasonable bounds. If inflationary influences are kept in check the transition from war to peace should not be too painful.

Another stimulating influence is the now generally accepted idea that in times of low employment the government should proceed with public construction works so as to provide work for the unemployed. While government action along these lines will be of substantial benefit I doubt that public works will achieve anything like what the protagonists of government spending claim. Big construction jobs call for a heavy ratio of machinery to manpower and they are always slow in proceeding from the blueprint to the building stage.

Undoubtedly there is a telling shortage of many goods in the durable fields, such as refrigerators, vacuum cleaners, radios, and so on. But I am afraid that the extent of these shortages is greatly overrated. I can for instance mention the case of the manufacturer of an important factory and mill supply item who has been repeatedly asked to take back supplies sold three years ago. One customer, it has been discovered, ordered in 1941 enough of this item to last into 1946.

There are two sides to a shortage of goods—they may be short because production has been reduced, which is the layman's conception of a shortage; or there may be a shortage because demand has suddenly increased and outstripped production. It is an important difference and I suspect that insofar as consumer goods are concerned they are in short supply because demand has become greater than what in pre-war days would have been normal production. Ranges, styles and varieties are restricted, but when it comes to many types of goods such as clothing, furnishings, furniture, I would not be surprised if quantitatively we are actually overproduced.

Relationships of Supply and Demand

It is important to understand how the estimates of the relationships of supply and demand are obtained. Shortages are calculated on the basis of back orders in the files of the manufacturers, and no attempt could be made to differentiate between back orders that represent a real need for goods and those which originate in panic ordering by retailers and distributors and which are really duplications due for cancellation at the first sign of stormy weather. Contributing to the impression of shortage is the complaint by large retailers that their inventories are down. These operators calculate their inventories as a percentage of sales and when sales are unusually high as they are today it is possible to have inventories that are low on a percentage calculation while in actual fact they are at record figures. I feel sure that if the truth were known we would find many items in long rather than in short supply today. It is unfortunately true that these percentage ratios are always matters of past history and cannot be calculated until the sales are known. I am afraid that when future

sales are recorded and related to goods on the dealers' shelves, or in distributors' warehouses and on the railways in transit, many a merchant will have a nasty headache without stopping to figure on the goods he has on order and still undelivered.

The goods in transit are particularly deceptive because they no longer belong to the manufacturer and most buyers do not take them into inventory because they have not been received. There is, therefore, a tendency for goods in transit to be overlooked when stock is being taken.

This has happened before, and it should be no surprise if it is happening again. Unfortunately, it is a condition which causes many an upset in business calculations and encourages those depressing phenomena, the cancellation of orders and heavy inventory losses. This will be particularly true of goods with style in their make-up, and already there is considerable uneasiness among retailers alive to these dangers.

Promises of New Products

After the last war the appearance of the automobile and of the radio stimulated the public imagination and encouraged individual initiative in manufacturing, distributing and servicing. We can hardly expect that two such expanding industries should again appear just when we need them. But to a lesser degree at least there is promise that new products with substantial public appeal will make their appearance. Extensive opportunities for individual enterprise, courage, hope and risk will be found in the manufacture, selling and servicing of new products in the fields of television, plastics and radar; and for any man who has vision in his outlook and hope in his heart a depression simply does not exist. But while for many individuals these opportunities will arise, we must not be carried away into thinking that a national solution for our troubles lies in the parrot-like repetition of the shibboleth "Free Enterprise."

In conclusion, I wish to repeat that in view of the tremendous readjustments which must be made in changing from a war economy to a peace economy the phenomena by which we measure depressions cannot be avoided. If for no other reason we shall be inclined to feel depressed because after years of overemployment we shall be witnessing a certain amount of unemployment. But it is important to realize that it will be only a short time till recovery and prosperity will be with us again.

We can expect to find our young people puzzled, angry and discouraged and justifiably feeling that they deserve better at our hands. Hence the more of us that can maintain a sense of balance the better and the less will the economic troubles ahead of us bear upon the nation as a whole. For those of us with experience, with long memories and with influence, it will be almost a national duty to remain cheerful, promote optimism and to inspire confidence in the better times ahead.

Above all, I advise you to avoid the statistics of the period because the figures of bank clearings, of car-loadings and so on are sure to react upon us as does the discovery that the thermometer is at 20 degrees below zero when otherwise we were not feeling so cold. If we leave statistics alone and stick to our feelings, I do not think that the post-war depression will be so bad.

SUCCESSFUL CREDIT DEPARTMENT LETTERS

VOLUME III

In this newly prepared Volume, we have gathered together a selection of letters and forms written for special purposes but which can easily be adapted to other businesses.

With increased responsibilities and the manpower shortage there is less time these days for the busy Credit Manager to sit down and write that difficult adjustment, good will or perhaps "trying" collection letter. Here is your opportunity to secure a practical, up-to-date booklet containing 173 excellent examples of credit department letters and forms of all types, among which are:

- Account Solicitation
- Collection
- Declining Account
- Adjustment
- Credit Sales Promotion
- Inactive Account
- Good Will
- New Account Acknowledgment
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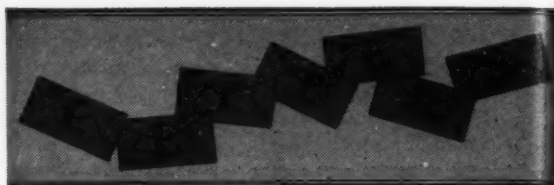
Many of these are seasonal, others tie in with anniversaries, etc. A letter for every purpose.

Only \$1.00 to members—\$1.50 to non-members.

**BE ONE OF THE FIRST TO
ORDER A COPY!**

**NATIONAL RETAIL CREDIT
ASSOCIATION**

Shell Building • • St. Louis 3, Mo.



"The booklet 'National Members Make Better Bureau Members' makes very interesting reading. I have always felt that bureau managers should be doing more for the N.R.C.A., and I think such publications as this, together with talks and publicity at our district meetings, will be productive of many National memberships. Here in Nebraska, I'm sure our bureau managers want to help. They appreciate the real cooperation which your office is giving to bureaus. This should eventually produce a number of new local associations in Nebraska."—Max Meyer, General Manager, Nebraska Credit Company, Lincoln, Neb.

"Your publication is listed as collateral reading by the book BUSINESS PRINCIPLES, a text included in a course offered by the United States Armed Forces Institute, for men in the service. If you take subscriptions for overseas, please forward a subscription blank and any other necessary information."—Edward Solomon, 49th Finance Disbursing Section, c/o Postmaster, New York.

"I wish to express my interest in your excellent publication The CREDIT WORLD and for the many ideas and information that are helpful in my work. I think Frank Batty wrote a splendid tribute to August Altenburg in the December issue and I read and re-read the article by Edward N. Allen who visited Boise a few months ago with Lew Hahn. Finally, the thoughtful and inspiring Christmas message of President Riggs rounded out a splendid issue."—E. G. Harlan, Manager, Boise Chamber of Commerce, Boise, Idaho.

"Just a line to let you know that I am now some place in New Guinea. Certainly missed all the fellows at the Milwaukee Convention, so wish you would give them my regards when you see them on your tours. Looks like a long pull out here so I guess it will be some time before I will have the pleasure of associating with the National boys again."—Wm. L. Brian, LCT (6) Flotilla 27, Fleet Post Office, San Francisco, Calif.

"Many thanks for the back issues of The CREDIT WORLD which you recently sent me. I was amazed at the ease with which I became absorbed. The solution to many postwar problems I occasionally found myself thinking about were practically handed to me on the proverbial silver platter. I look forward to the day when I can again practice my profession in the better world of tomorrow."—Corp. Nelson D. Davis, AAF Regional Hospital, Keesler Field, Miss.

"Hearty congratulations on the monthly credit statistics that appear for the first time in the November CREDIT WORLD. I am sure that credit men will find these figures useful, particularly when we reach less favorable collection conditions in the postwar period."—John J. Canavan, Manager, Merchants' Credit Bureau, Boston, Mass.

"Your course on 'Retail Credit Fundamentals' has benefited me greatly and I wish to express my appreciation to the National Retail Credit Association for offering such an educational course. It covers all the fundamentals which every credit granter should know, and I heartily recommend this course to everyone in credit work. Anyone, who completes it, promotes his own welfare."—James C. Baker, Assistant Credit Manager, Levy Bros. Dry Goods Co., Houston, Texas.

"I think your study 'What Credit Granters Think of Credit Bureau Service,' is one of the finest pieces of factual assistance that has ever been given to Bureau Managers."—L. R. Asmus, Manager, The Credit Bureau, Wheeling, W. Va.

"Association Educates"

(Beginning on page 10)

Dear Sir:

Harvest time is here again, and everyone is reaping what he has sown during the year. Some crops will be better than others, but all must be harvested.

What will YOURS be? Will YOUR warehouse, in the form of the Yellow Book, be filled with an abundance of good credit ratings? Or will you be one of the less fortunate who will reap an inferior crop?

Within a few months, the merchants and professional men of our city will be sending in their credit ratings to compile the new Yellow Book. If you have been lax in paying your accounts promptly during the summer, why not start NOW to rebuild your credit standing? There is still time before the ratings are reported.

If any of your accounts are past due, protect your rating by making settlement promptly.

Yours very truly,

Dear Sir:

The year of 1944 has been a trying one for each of us—Victory Bonds, Red Cross, increased income taxes and the War Chest have taken a sizeable sum from incomes. Each campaign was in a worthy cause and the people of Minneapolis have cheerfully contributed.

Possibly because of these heavy outlays you have permitted settlement of bills to go past the customary time.

Payment NOW will be appreciated and will prevent further impairment of your credit record.

Yours very truly,

Dear Sir:

These cool nights and crisp mornings, with a touch of frost on the grass glistening in the morning sun, awakens us to the realization that Fall is here.

This reminds us that there are many things that need our attention—leaves to be raked, gardens to be tended to and covered, furnaces to be inspected, fuel ordered, and many other duties that have been neglected during the Summer months.

Now, too, is the time to clear up the unpaid bills that may have accumulated. This will help the merchants who extended credit and also enable you to use your accounts for the needed Fall purchases.

Pay each account in full by October 10, and each month thereafter. In this way, you will build a "Prompt" credit rating.

Yours very truly,

December 1944

Merry
Christmas
Mr. Roe

Our
Joy in
Christmas
comes from
generously giving
of ourselves to make
others happy. Your own
care-free enjoyment of Christmas
will be more complete through plan-
ning your finances so as to have all of
your accounts paid promptly. Should there
be any bills which have become overdue arrange
NOW to pay them all. A debt-free Christmas will be
a happier Christmas

Yours
for a
Christmas of good cheer

THE RETAIL CREDIT ASSOCIATION OF MINNEAPOLIS

*Reading this magazine carefully
and regularly will contribute to
your success as a Credit Executive*

Credit Bureau Musts

1. Upon completing application for credit, obtain complete report from your Credit Bureau.
2. The necessary data should be furnished to the Bureau, such as:
 - A. First name and second initial of applicant for credit and if married, first name of wife or husband.
 - B. Residence address for past three to five years.
 - C. Position and place of employment for past three years.
 - D. Trade references.
 - E. Bank account and whether checking or savings.
 - F. Whether monthly charge or instalment account.
3. Rush reports should be requested only when absolutely necessary. An unusual number of such requests will seriously affect the service of the Credit Bureau and increase its operating costs.
4. Requests from the Bureau for credit information should be handled with dispatch, to insure:
 - A. Prompt service to inquiring member, and,
 - B. Courtesy to the customer referring to you.
5. Report to the Bureau all slow and unsatisfactory accounts, excess returners of merchandise and customers inclined to overbuy.
6. Charge accounts of customers inactive for more than one year should be checked through the Bureau, to ascertain current credit standing.
7. Look upon your Bureau as you would a key executive and an important department of your business, essential to the successful extension of credit.
8. Cooperate with the Bureau to:
 - A. Improve credit conditions in your community, and,
 - B. Consider it your responsibility to contribute to the success of the Bureau in all its activities.
9. Use your Credit Bureau freely, with the knowledge that money expended for reliable credit reports enables you to extend credit safely and is an investment and not an expense.
10. In an effort to effect savings, do not communicate with references direct. Such information is, as a rule, only partially complete and in the long run, much more costly than the purchase of credit reports on all applicants.



You're Right, Mr. Wade . . .

NO BETTER WORDS could express our thoughts more fully than the unsolicited testimonial letter you sent us recently . . .

Your course on RETAIL CREDIT FUNDAMENTALS is invaluable to every employee in the credit department of every retail establishment, as well as to every owner of the small store who must act as his own manager of credit sales. It is so practical and complete in dealing with the basic functions which must be performed by the largest as well as the smallest credit sales departments that it should be a must for every employee of this department in order that each one will more fully realize the important position his particular job plays in the retail credit picture.—RAY S. WADE, ASSISTANT CASHIER, SIMON NEWMAN CO., NEWMAN, CALIF.

While the end of the war would seem a long way off at present, every day brings Victory closer, and the day of readjustment that much more necessary to plan for. As important as any problem in this postwar period will be that of adequately trained credit department personnel.

It will benefit us little, if, upon entering the postwar world, whenever it should come, credit executives are not equipped through trained personnel to handle the voluminous reconversion business.

The training of new employees is expensive and takes up the valuable time of the Credit Manager and other employees. The problem can be simplified through a continuous program of credit education employing either of the two methods sponsored by the National Retail Credit Association: Individually through

the extension course plan; or collectively through local Credit Schools.

Full particulars regarding the extension course plan are given on page four of this issue of *The CREDIT WORLD*. A brochure on how to organize and conduct Credit Schools may be obtained by writing the National Office. All credit granters have a distinct opportunity here to serve their profession through promotion of credit education among those new to the credit fraternity.

Yes, Mr. Wade, you're right. We heartily agree that our educational courses are invaluable to every credit department employee. We wish every credit granter would give the matter serious thought and write the National Office now for full information.

May we hear from you soon?

Arthur H. Hert

THE EMBLEM OF



SOUND CREDIT

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